

**CITY OF SHOREVIEW
AGENDA
REGULAR CITY COUNCIL MEETING
December 5, 2011
7:00 P.M.**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF AGENDA

PROCLAMATIONS AND RECOGNITIONS

CITIZENS COMMENTS - *Individuals may address the City Council about any item not included on the regular agenda. Specific procedures that are used for Citizens Comments are available on notecards located in the rack near the entrance to the Council Chambers. Speakers are requested to come to the podium, state their name and address for the clerk's record, and limit their remarks to three minutes. Generally, the City Council will not take official action on items discussed at this time, but may typically refer the matter to staff for a future report or direct that the matter be scheduled on an upcoming agenda.*

COUNCIL COMMENTS

CONSENT AGENDA - *These items are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.*

1. November 7, 2011 City Council Meeting Minutes
2. November 14, 2011 City Council Workshop Meeting Minutes
3. November 21, 2011 City Council Meeting Minutes
4. November 21, 2011 City Council Workshop Meeting Minutes
5. Receipt of Committee/Commission Minutes—
 - Bikeways & Trails Committee, September 1, 2011
 - Human Rights Commission, October 26, 2011
 - Bikeways & Trails Committee, November 3, 2011
 - Environmental Quality Committee, November 28, 2011
6. Verified Claims

7. Developer Escrow Reduction
8. MnDOT Agency Agreement
9. Establish City Recycling Fee and Approve SCORE Grant Application
10. Approval of Application for Exempt Permit—Pinnacle Athletic Club
11. Renewal of Lease Agreement—Fitness Center Equipment
12. Approval of Agreements—Community Center Exclusive Alcoholic Beverage Providers

PUBLIC HEARING

13. Budget Hearing—Review of 2012 Budget and Tax Levy

GENERAL BUSINESS

14. Clear Channel, Inc., Dynamic Digital Billboard, 4xx County Road E
 - a. Operating Agreement
 - b. Site Lease Agreement
 - c. Access Easement Agreement—455 County Road E

STAFF AND CONSULTANT REPORTS AND RECOMMENDATIONS

SPECIAL ORDER OF BUSINESS

ADJOURNMENT

*** Denotes items that require four votes of the City Council.**

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
November 7, 2011**

CALL TO ORDER

Pursuant to due call and notice thereof, a regular meeting of the Shoreview City Council was called to order by Mayor Martin on November 7, 2011, at 7:00 p.m.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the flag.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Quigley and Wickstrom.

Councilmembers Huffman and Withhart were absent.

APPROVAL OF AGENDA

Mayor Martin requested a brief discussion about a possible time change for the Council workshop on Monday, November 14, 2011, during the *Special Order of Business* portion of the meeting.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve the November 7, 2011 agenda as amended.

ROLL CALL: Ayes - 3 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

This item was moved to the end of the agenda.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Councilmember Wickstrom:

There is a new program with Ramsey County for citizens to be able to get rid of old prescription drugs. On Monday through Friday, 8:00 a.m. to 4:00 p.m., they can be dropped off at the

Ramsey County Sheriff's office at Highway 96 and Hamline Avenue. This is a much more environmentally friendly way to get rid of old prescriptions rather than throwing them in the trash or wastewater.

The Beyond the Yellow Ribbon Committee will meet Thursday, November 10, 2011, rather than the third Thursday. Anyone interested is welcome to attend. There will be a send off for troops at the Roseville High School auditorium on Sunday afternoon November 13, 2011.

The Shoreview Northern Lights Variety Band will hold its annual Christmas concert on December 10, 2011, at Benson Great Hall on the Bethel University campus, beginning at 7:00 p.m. Tickets can be purchased in advance at a discount at the Community Center, or tickets can be ordered from the band's website.

Mayor Martin:

Announced the Active Life Fair on November 14, 2011, from 10:00 a.m. to 1:00 p.m. This is a resource fair open house with numerous resources and information for senior citizens. The event is free and coordinated by the Shoreview Parks and Recreation Department.

On Saturday, November 12, Gallery 96 will open its fall exhibition of story telling and narrative art at the Shoreview Ramsey County Library from 6:00 to 8:00 p.m. The exhibition will be on display until December 9, 2011.

On November 25, 2011, there will be a dive-in movie at the Tropics Indoor Water Park pool at 7:00 p.m.

On Friday, November 11, 2011, City Hall offices will be closed in recognition of Veteran's Day.

The Christmas Lighting Ceremony will take place at the Community Center on November 21, 2011, at 6:00 p.m.

CONSENT AGENDA

Mayor Martin corrected the first page of the minutes of October 17, 2011, which should state that the City handed out pumpkin bars at the final Farmers' Market of the year.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to adopt Item Nos. 1 through 15 of the consent agenda of November 7, 2011, approving the necessary motions and resolutions:

1. October 10, 2011 City Council Workshop Minutes
2. October 17, 2011 City Council Meeting Minutes, as amended

3. Receipt of Committee/Commission Minutes:
 - Bikeways & Trails Committee, July 7, 2011
 - Planning Commission, September 27, 2011
 - Human Rights Commission, September 28, 2011
 - Environmental Quality Committee, October 24, 2011
4. Verified Claims in the Amount of \$1,295,429.17
5. Purchases
6. License Applications
7. Approval of Upgrade to the Video Security System
8. Resolution Authorizing Interfund Tax Increment Loan for Public Improvements
9. Approval of 3-Year Audit Contract
10. Approval of Insurance Agreement
11. Minor Subdivision - 5036 Lexington Avenue/5017 Turtle Lane W., Robin Morse
12. Developer Escrow Reduction
13. Approval of Change Order #1 - Buffalo Lane, CP11-09
14. Approval of Change Order #1 - Tanglewood Drive/Victoria Street, CP 11-08
15. Authorize Request to Advance State Aid Funds

VOTE: Ayes - 3 Nays - 0

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

AUTHORIZE AGREEMENT FOR DESIGN AND CONSTRUCTION RELATED SERVICES FOR OWASSO STREET REALIGNMENT - CP 09-12

Presentation by Public Works Director Mark Maloney

The proposed project is located at the intersection of County Road E and Victoria Street. Owasso Street services the Midland Terrace apartment complex and the project would realign Owasso with the west segment of County Road E. County Road E would be extended through the Midland Plaza retail center on the realignment of Owasso Street.

The reason for this project is planned redevelopment of Midland Terrace. The City Council and the City's Economic Development Authority (EDA) have previously authorized application for a grant through the Metropolitan Council to offset costs associated with the road realignment.

Feasibility studies for needed improvements have been conducted over a year for the redevelopment. The project would address evening rush hour concerns for pedestrians, school traffic, a fire station and railroad operations. The Grass Lake Watershed Management

Organization has identified storm water improvements for Shoreview Lake as part of their next 10-year plan. Those improvements would be included in the redevelopment project.

SEH was chosen to conduct the feasibility study. The project is very complex with approvals needed from Ramsey County, the City, two watershed districts, the railroad and a private developer. Because of this complexity, the public infrastructure is being put forward prior to approval of the redevelopment plan. The developer will share in costs, even if redevelopment does not occur.

The SEH proposal for engineering design and construction specifications is \$312,500-\$177,000 for the Design Phase and \$135,000 for the Construction Phase. The cost to be shared with the developer if the project does not occur is \$177,000. The total project for public infrastructure is estimated at \$2.6 million.

The proposed schedule would be to begin the final design in November 2011. The final design with all approvals, as well as the Development Concept Review approval, is to be completed by April 2012. A public bidding contract would be awarded in May 2012, and on-site construction would be June through November 2012. The new apartment complex construction would be scheduled for spring 2013.

Councilmember Wickstrom asked if an agreement with the developer is needed prior to beginning infrastructure improvements and if such conditions should be included in the motion. Mr. Maloney noted the draft cost-sharing agreement that would be executed is prior to any significant costs incurred on the part of the City. City Manager Schwerm stated that the developer's attorney is reviewing the cost-share agreement and will be on the next Council meeting agenda for approval. The approval at this meeting could be subject to approval of the cost-share agreement. He believes the risk is very small, as the City will not be expending any significant funds in the next two weeks. There is verbal agreement with the developer, and nothing is anticipated that the cost-share agreement would not be executed.

City Attorney Filla noted a correction to paragraph 3.0B2, which references paragraph 3.0D1 but should reference 3.0B1.

Mayor Martin expressed her concern about getting County and railroad approval for all of the right-of-way that will be needed. Mr. Maloney responded that the total project cost of \$2.6 million would include right-of-way negotiation and acquisition, as well as easements from the school district. Railroad property is not acquired, but a license is needed to work on railroad property.

City Attorney Filla suggested that the Council may wish to add a clause to the motion of approval that it be subject to the City's right to rescind the agreement in the event that the agreement with Midland Terrace Apartments Company is not executed.

Councilmember Quigley stated that there will be many details to be worked out along the way, especially with Ramsey County and the railroad that he believes will be achieved.

Mayor Martin stated that many conflicts are occurring at that intersection, and there have been many preliminary discussions with all parties. The project has merit, especially with the redevelopment of Midland Terrace. One resident has called expressing concern about the redevelopment of the apartments, the plan of which the Council has not yet seen. She noted that the developer has already vacated the strip mall, except for one last tenant.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to adopt Resolution 11-84, authorizing execution of a Professional Services Agreement with SEH, Inc. for engineering and construction management services relating to Owasso Street Realignment, CP 09-12.

ROLL CALL: Ayes: Quigley, Wickstrom, Martin
Nays: None

AUTHORIZE AGREEMENT - MN DEPARTMENT OF CORRECTIONS

Presentation by Public Works Director Mark Maloney

The MN Department of Corrections has made work crews available to local governments since 1995. Approval of the proposed contract is to authorize continuation of a work crew that has been working in the City since last year. It is an annual process to renew contracts.

Areas the work crew has provided service includes:

- Public works and parks maintenance
- Public planting maintenance
- Snow removal (hydrants, transit stops)
- In-house tree/brush removal
- Storm pond maintenance
- Hydrant painting
- Nuisance abatement
- Rain gardens
- Shoreline restoration on Lake Martha
- Custodial services at the Maintenance Center

The work crew has provided a valuable resource that is well managed and covers a wide diversity of work projects. The City cost for these services is \$82,000 for a six-person full-time work crew.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom that the Mayor and City Manager are hereby authorized to execute ICWC Contract with the Minnesota Department of Corrections for the provision of a full-time offender work crew for 2012.

ROLL CALL: Ayes: Wickstrom, Quigley, Martin
Nays: None

PROCLAMATIONS AND RECOGNITIONS

Mayor Martin presented Sean Celski with a plaque of recognition for his achievement as Eagle Scout in the Boy Scouts of America.

WHEREAS, Sean Celski, a student at Mounds View High School and a member of Scout Troop 9625, has earned the rank of Eagle Scout, the highest of ranks in the Boy Scouts of America; and

WHEREAS, to attain the rank of Eagle Scout, Sean had to complete a special Eagle Scout Service Project; and

WHEREAS, Sean renovated the landscaping at Peace United Methodist Church by removing the old landscaping, building up the soil, installing edging and adding limestone and fieldstone boulders to make the area more attractive and help with drainage; and

WHEREAS, Sean has volunteered more than 100 hours at the Tamarack Nature Center;

WHEREAS, Sean is a member of the National Honor Society, Boy Scouts-Order of the Arrow Brotherhood, and a Senior Patrol Leader; and

WHEREAS, Sean enjoys traveling, skiing, backpacking, sailing, camping, computers, and flying and plans to major in aeronautics in college.

NOW, THEREFORE, BE IT RESOLVED that I, Sandra C. Martin, Mayor of Shoreview, on behalf of the Shoreview City Council, do hereby congratulate Sean Celski for his many accomplishments and his achievement of the rank of Eagle Scout.

Sean explained his project of renovating the landscaping at Peace United Methodist Church. There were erosion issues and ice hazards in the winter. The plan was approved in May 2011, and the project was executed in September. A boulder wall was built. Dirt fill was brought in and graded. A professional edging was put in and landscaping rock brought in. The project was completed in one day because there were over 40 volunteers. The project was very successful. Money for the project was raised by selling cookies.

SPECIAL ORDER OF BUSINESS

It was the consensus of the Council to hold the budget workshop meeting on Monday, November 14, 2011, at 5:30 p.m. instead of 7:00 p.m.

ADJOURNMENT

MOTION: by Councilmember Quigley, seconded by Mayor Martin to adjourn the meeting at 7:50 p.m.

ROLL CALL: Ayes - 3 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE ____ DAY OF _____ 2011.

Terry C. Schwerm
City Manager

**SHOREVIEW CITY COUNCIL WORKSHOP MEETING
MINUTES
November 14, 2011**

Attendees:

City Council: Mayor Martin; Councilmembers Huffman, Quigley, Wickstrom and Withhart

Staff: Terry Schwerm, City Manager
Tom Simonson, Asst. City Manager/Community Development Director
Jeanne Haapala, Finance Director
Fred Espe, Assistant Finance Director
Mark Maloney, Public Works Director

REVIEW OF THE PROPOSED 2012/2013 BUDGET AND TAX LEVY

Two-Year Budget

A new two-year budget document was presented to the Council for review before formal adoption. A two-year budget would not cut any review time of the budget each year, but the process would be modified to check with departments to make sure the budget is in line with needs. Any significant changes would be brought to the Council. A review of the preliminary levy would still occur in August each year. One of the advantages of a two-year budget is the size of the document, as a lot of information does not change year to year. The time saved would be used to build more expertise among staff. Printing costs would be saved. It would also give staff an opportunity to focus on Council goals. The year the Council holds a goal-setting session would be the year a new budget is done.

Councilmember Withhart asked what would happen if a new Council were elected and wanted changes. Ms. Haapala stated that the process can always be redone. She added that bond agencies like to see documents that plan for the longer term, although that is not a worry for Shoreview. A two-year budget document would add to the other long-term financial planning documents already in place.

Councilmember Huffman stated that he likes the idea that the budget would be done in conjunction with the Council's goal-setting sessions.

Councilmember Quigley stated that processes already in place are embedded in the two-year budget document. It is well formatted and will be a living document to integrate with operations.

Mayor Martin stated that measurements need to be based on the community survey, and the Council needs to commit to the expense of conducting the surveys to get that information. Mr. Schwerm responded that every odd-numbered year a community survey is budgeted.

It was the consensus of the Council to move forward with a two-year budget process.

Budget Review

Mr. Schwerm noted the summary chart for the tax levy over the next two years. In 2012, the tax levy is decreasing from \$9,405,000 to \$9,360,000, which is a decrease of 0.5%. The primary reason for the decrease not having to account for the loss of market value homestead credit in the levy. Actual tax collection will increase by 3.3%, when the EDA and HRA levies are counted. All revenue increases are reducing the levy by 4.5%.

Increased costs in 2012:

- Police—increased costs for wages and health insurance, vehicles, and transition Animal Control to the Sheriff's Department.
- Fire Service—the continued implementation of the duty crew program 24/7, two hours will be added to weekday evening hours and Saturday daytime hours planned in 2012.
- Personnel changes include a new full-time communications specialist position to be created; changing the Assistant City Engineer position to City Engineer; and elimination of the Park and Recreation Director position. The elimination of this position will mean that three managers in the Park and Recreation Department will report directly to City Manager Schwerm.
- Pay plan adjustment of 1% and a \$50 increase in the City's monthly health insurance contribution, which covers less than half the increase in family premiums.
- Election costs. Councilmember Wickstrom indicated that there is some discussion about Ramsey County potentially taking over City elections in the future. Schwerm noted that some cities have moved in this direction but this is not contemplated in 2012.
- Street Renewal is decreased from \$75,000 to \$50,000.

The combined result of General Fund revenue and expense changes in 2012 is a 2.43% decrease in the tax levy.

Councilmember Huffman noted that the savings from the elimination of the Park and Recreation Director position is a one-time savings.

The debt increase is for the Maintenance Center. Ms. Haapala stated that there will be a \$30,000 increase in the 2013 levy with no major changes in revenue. With the projected increases in the EDA and HRA levies, the overall projected increase in the 2013 levy is 4.25%.

Mayor Martin asked how police costs are estimated for 2013. Mr. Schwerm stated that a 3% inflation factor is used. Animal control costs in 2013 will be the same or lower. The Council will be approving the 2012/2013 budget, but budget amendments can be made in 2013. Next year, staff will present the budget in August based on the 2013 budget adopted. Any necessary revisions can be made through the Council's review process and a budget amendment. Rather

than working from the entire budget document to establish a preliminary levy, the Council will receive a summary memo.

Ms. Haapala noted that health insurance rates continue to increase, and it is frustrating to see the impact on the levy each year. However, when a comparison is made to the Ramsey County plan that the City used to participate in, the City has saved \$1.8 million over the last five years.

Market Value Homestead Credit/Homestead Value Exclusion

The market value homestead credit program was established to buy down property taxes for low and moderate value homes. The homestead value exclusion program replaces that with buying down the value of property to allow tax exclusions on different valued homes. A home valued at \$76,000 receives the biggest tax exclusion credit. The exclusion is designed to replace the credit given under the old market value homestead credit program.

The city tax rate is going up less compared to other taxing jurisdictions. In 2011, a median valued home in Shoreview was \$249,000. That home value was used to calculate the taxable value. In 2012, because of market value exclusion, taxable value will drop. If it is assumed that property value is dropped by 5.5%, the impact on City property taxes is not great. However, the changes in market value of residential properties varies substantially through the City.

Councilmember Huffman noted that a home valued above \$413,000 does not receive a buy-down in value. Mr. Schwerm stated that the tax burden is shifting to apartments and commercial property, as well as higher valued residential properties.

Mayor Martin asked how higher priced homes impact lower priced homes. Ms. Haapala stated that the City's tax rate is the City's levy divided by total taxable value. Since higher priced homes do not receive a market value exclusion, they are generally picking up a higher proportion of the tax bill. Mr. Schwerm noted there is a bigger shift of the tax burden to apartment and commercial property, which values are not falling as much as residential property.

Utilities

The City has experienced an ongoing issue with a decline in water use partly due to the amount of rainfall. The year 2011 is the lowest usage rate on record. As a result, the projected water revenue base is shrinking with no net gain in the Water Fund. Water rates need to increase 15% to close the gap. The good news in 2012 is that the sewage treatment rate is decreasing. The City will hold sewer rates the same to mitigate the jump in water rates. Bond agencies are looking for a long-range plan to cover the gap.

Another factor impacting the Water Fund is that between 40% to 50% of water sold is in the lowest tier. Staff will be reviewing the current tier system. The base gallons established are not sufficient to generate the revenue necessary to operate the system.

Councilmember Withhart stated that the bulk of gallons of water sold should be in the middle tier, not the lower tier. It makes sense to shift the number of gallons in the lower tier. He asked if the sewer relining project resulting in less infiltration into the sewer lines is the reason for the drop in the sewer rate. Mr. Schwerm stated that the two major sewer projects in the last four years is helping prevent infiltration into the line, which drives costs up. He stated that staff will bring back utility tiers for further review.

Benchmarks

The Council reviewed the booklet showing how Shoreview compares to other similar sized cities using information from the League of Minnesota Cities (LMC) and the Office of the State Auditor (OSA). The City share of the property tax bill for a median-valued home in Shoreview (\$249,350) shows that Shoreview is 5th lowest at \$765. This is 22% below the average city tax bill of \$980. This comparison is before the market value homestead credit allocation because the allocation varies among communities.

Shoreview's tax levy ranking is 20 in 2011. It has dropped two positions in the last 10 years and is 21.1% below the average of comparison cities. Spending per capita is \$1,063, according to the Office of State Auditor (OSA), which is 24% below the average of \$1,401. Shoreview places a high priority on parks, recreation and trails and ranks No. 1 in spending per capita for their services. However, most of this spending is for the Community Center and Recreation Programs which are primarily supported by user fees. In other areas of per capita spending, the City ranks below average. These areas include such items as general government, public safety, public works, and debt payments.

Among Municipal Legislative Commission cities, Shoreview's property taxes on a median home value (\$249,350) rank third lowest at \$765 compared to a high of \$1,243 in Savage. However, county taxes in Shoreview rank 38% above average and overall taxes rate 5th highest among comparison cities in MLC.

OTHER ITEMS

Grass Lake Water Management Organization (GLWMO)

Mr. Maloney stated that a representative of GLWMO will address the Council at the next meeting. The Roseville and Shoreview staff find it difficult to continue to recommend this organization as a joint powers agreement because of the requirements by state statute and the Board on Water and Soils Resources (BOWSR). The Council will not have authority over the budget, and the functions prescribed by the state will require significantly more funding. A joint powers agreement would have to give full authority to the Board regarding the budget, but the City would be responsible for collecting the revenue. If the Board requested a budget of \$500,000, Roseville and Shoreview would be obligated to fund GLWMO at that level. It is the opinion of Roseville's attorney that the City should not enter into a joint powers agreement that

abdicates budget authority to another entity. The reason GLWMO was started in its present format was to have more local control and keep costs cheaper for residents.

RETIREMENT

The Council briefly discussed the fact that Park and Recreation Director Jerry Haffeman will be retiring at the end of the year after serving the City for 40 years. A celebration event will be held at the Community Center on January 6th.

The meeting adjourned at 7:55 p.m.

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
November 21, 2011**

CALL TO ORDER

Pursuant to due call and notice thereof, a regular meeting of the Shoreview City Council was called to order by Acting Mayor Quigley on November 21, 2011, at 7:00 p.m.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the flag.

ROLL CALL

The following members were present: Acting Mayor Quigley; Councilmembers Wickstrom, Huffman and Withhart.

Mayor Martin was absent.

APPROVAL OF AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Huffman to approve the November 21, 2011 agenda as submitted.

ROLL CALL: Ayes - 4 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

Mr. Bart Reigstad, 5904 Prairie Ridge Drive, stated that he was unable to find the City budget in the City Council meeting minutes. Mr. Schwerm explained that the Council adopted a preliminary tax levy, which includes information about the budget at the first meeting in September. The full document is not published in the minutes, but summary discussions are included.

Mr. Reigstad further stated that his property value increased 29%. The increase in his tax is 49.9%. It is difficult for a taxpayer to find out how taxes are calculated. He asked if changes to the law will be provided at the tax hearing, noting changes to the taxing jurisdictions and further asked how the City budget fits into these tax increases. Acting Mayor Quigley explained that the City can only speak to the City portion of the taxes. **Mr. Reigstad** stated that his Shoreview taxes are being increased by approximately 20 to 25%.

Acting Mayor Quigley suggested Mr. Reigstad make an appointment with Finance Director Jeanne Haapala to have his questions answered. A budget handbook will be available at the tax hearing on December 5, 2011.

Councilmember Wickstrom noted that there is summary information on the Ramsey County website, but Mr. Reigstad's main problem is the increase in property value.

COUNCIL COMMENTS

Councilmember Wickstrom:

On Friday, November 25, 2011, there will be a Dive-In Movie at the Community Center at 7:00 p.m.

Thank you to the Turtle Lake Elementary School Choir for singing at the lighting ceremony at the Community Center.

The Shoreview Northern Lights Variety Band Holiday Concert will be December 10, 2011, at 7:00 p.m. at Bethel University Great Hall. Tickets are available at City Hall or online.

CONSENT AGENDA

Councilmember Withhart requested that the November 7, 2011 Council meeting minutes be voted on separately, as he did not attend that meeting. Approval of those minutes was continued to the next City Council meeting, as a quorum was not present for approval.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to adopt Item Nos. 2 through 6 of the consent agenda of November 21, 2011, approving the necessary motions and resolutions:

2. Receipt of Commission/Committee Minutes:
 - Park and Recreation, October 27, 2011
 - Public Safety Committee, November 17, 2011
3. Monthly Reports:
 - Administration
 - Community Development
 - Finance
 - Park and Recreation
 - Public Works
4. Verified Claims in the Amount of \$2,120,808.16
5. Purchases

6. Approval of Developer Cost-Share Agreement for Owasso Street Final Design Services

VOTE: Ayes - 4 Nays - 0

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

COMPREHENSIVE PLAN AMENDMENT--CHAPTER 5, TRANSPORTATION AND CHAPTER 10, PARKS/OPEN SPACE

Presentation by City Planner Kathleen Nordine

The proposed Comprehensive Plan Amendment is to bring the City's Comprehensive Plan into compliance with recent changes to the Metropolitan Council 2030 Transportation and Regional Parks Plans. The changes that impact Shoreview relate to I-694 and I-35W. Language has been updated in regard to transit characteristics and Anoka County Airport improvements. The sections that address I-694 have been updated to include expansion, bridges, frontage road and a managed lane system. The section on I-35W has also been updated to include a managed lane system. I-35W has also been identified as a transit way corridor and an express bus corridor.

The Trout Brook Regional Trail extends from Lake McCarron in Roseville to Sucker Lake in Vadnais Heights. However, alignment feasibility studies conducted by Little Canada and Maplewood do not include Shoreview in the trail corridor. Therefore, an amendment is not necessary. Shoreview will be asked to comment on a proposed plan.

Staff recommends adoption of the amendments, which staff believes has no negative impact on City systems. The amendments will be subject to approval by the Metropolitan Council.

Acting Mayor Quigley noted that the Planning Commission approved the proposed amendments on a 7 to 0 vote.

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to approve the amendments to the 2008 Comprehensive Plan, Chapter 5, Transportation, Resolution 11-81. The amendments will not negatively impact Shoreview's local system. The amendments are consistent with the updated 2030 Transportation Policy Plan adopted by the Metropolitan Council. Approval is subject to:

1. Review and approval by the Metropolitan Council.

Discussion:

Councilmember Wickstrom noted the number of takeoffs and landings at the Anoka County Airport increased significantly from 90,000 to 230,000.

ROLL CALL: Ayes: Huffman, Withhart, Wickstrom, Quigley
 Nays: None

ABATEMENT OF PUBLIC NUISANCE - 1648 LOIS DRIVE**Presentation by City Planner Kathleen Nordine**

The property owner, Michael Morse, constructed a detached garage without a building permit. The structure exceeds City standards for accessory structures. Mr. Morse was notified. He applied for variances, which were denied. It was then requested that Mr. Morse bring his property into compliance by November 1, 2011. The structure is still standing. He has now been requested to remove the structure by November 10, 2011. If it is not removed, an abatement hearing will be held. Mr. Morse sent a letter stating he would be unable to attend this meeting and requested an extension of the matter to December 19, 2011. Based on Mr. Morse's request, staff is recommending that the public hearing be extended to December 19.

Acting Mayor Quigley asked for further explanation of changes made to the structure since denial of the variances. Ms. Nordine showed photographs that indicate alterations to the roof and the addition of garage doors. A tarp is over the top of the structure. Staff had contacted Mr. Morse to request that contact the City prior to any alterations being made to the structure so staff could determine whether a building permit would be needed. That has not been done.

MOTION: by Councilmember Huffman, seconded by Councilmember Wickstrom to continue the nuisance abatement hearing to the December 19th City Council meeting regarding the abatement of an illegal accessory structure on Michael Morse's property at 1648 Lois Drive. Mr. Morse is unable to attend the hearing scheduled for the November 21st meeting.

VOTE: Ayes - 4 Nays - 0

APPOINTMENTS TO ECONOMIC DEVELOPMENT AUTHORITY

City Manager Schwerm stated that there were two recent resignations from the Economic Development Authority (EDA). Three applications were received from qualified candidates: Emy Johnson, serving on the Shoreview Community Foundation; Gene Marsh, serving on the Economic Development Commission; and Gerry Wenner, serving on the Planning Commission.

Originally, the EDA consisted of three Councilmembers and two members of the Economic

Development Commission. The bylaws have been changed to allow membership from the community at large and businesses. After a review of the applications, the EDA has recommended that Emy Johnson and Gene Marsh be appointed.

Councilmember Huffman noted that Emy Johnson has experience at the Humphrey Institute and brings a business and government perspective. Gene Marsh has solid banking experience, which will be an asset to EDA programs.

MOTION: by Councilmember Huffman, seconded by Councilmember Wickstrom to appoint the following persons to fill two vacancies on the Economic Development Authority:

Emy Johnson to complete the term expiring on December 31, 2012
Gene Marsh to complete the term expiring on December 31, 2014.

Discussion:

Councilmember Withhart emphasized that three well qualified candidates applied. He believes the two chosen will bring excellent qualifications to the work of the EDA.

VOTE: Ayes - 4 Nays - 0

ADJOURNMENT

MOTION: by Councilmember Huffman, seconded by Councilmember Wickstrom to adjourn the meeting at 7:32 p.m.

ROLL CALL: Ayes - 4 Nays - 0

Acting Mayor Quigley declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE __ DAY OF _____ 2011.

Terry C. Schwerm
City Manager

**SHOREVIEW CITY COUNCIL
WORKSHOP MEETING MINUTES
November 21, 2011**

Attendees:

City Council: Acting Mayor Quigley and Councilmembers Huffman, Wickstrom and Withhart

Staff: Terry Schwerm, City Manager
 Mark Maloney, Public Works Director
 Tessia Melvin, Assistant to the City Manager/ Communications

Grass Lake Water Management Organization Taskforce: John Moriarty

Acting Mayor Quigley called the meeting to order at 7:40 p.m.

**DISCUSSION REGARDING GRASS LAKE WATER MANAGEMENT
ORGANIZATION UPDATE**

Maloney reported that members of the Grass Lake Water Management Organization were running behind and that they were waiting for the Roseville City Council to adjourn from an executive session.

Schwerm reported that City staff recently met with Roseville staff to discuss and review and potential issues concerning Grass Lake Water Management Organization. He indicated that staff could review the report that had been prepared for this item prior to representatives from the GLWMO arriving.

Councilmembers Huffman and Withhart asked the group to postpone talking about Grass Lake Water Management Organization until December 12, as Mayor Martin was not present and members of the GLWMO were unsure of their arrival time.

The meeting adjourned at 7:50p.m.

SHOREVIEW BIKEWAYS & TRAILS COMMITTEE

Meeting Minutes

September 1, 2011

1. CALL TO ORDER

The meeting was called to order at 7:00 p.m.

2. ROLL CALL

Members Present: Craig Mullenbach, Jay Martin, Craig Francisco, Bill Atkins

Members Absent: Keith Severson, Patricia Evans, Judd Zandstra, Mark Stange,

Guests: None

City Staff: Charlie Grill

3. APPROVAL OF AGENDA

The agenda was approved.

4. APPROVAL OF MEETING MINUTES

The minutes of the July 7, 2011 meeting were reviewed and approved by consensus of the Committee.

5. COMMITTEE DISCUSSION ITEMS

The meeting began with Charlie reviewing the July and August, 2011 Public Works monthly report. The Committee reviewed functions and logistics of Tour de Trails and the booth at the Slice of Shoreview. The Committee brain stormed notes and ideas for next year which included better advertizing in advance as well as a better landing web page for the event. New arrow signs will need to be made as the old ones were destroyed in the storm.

The committee would also like to create more synergy with local vendors and discuss more in depth moving the ride to Sunday. Some concerns are that because of Sunday morning church services and other weekend activates, many people will be unable to attend the ride, similar to people unable to ride because of the parade.

Finally, the committee discussed more ways to stand out at the slice. This included a large sign for the tent, having tour de trails registration at the booth (if the ride were Sunday), and having more game giveaways.

6. ADJOURNMENT

The meeting was adjourned at 7:45 PM.

HUMAN RIGHTS COMMISSION

MEETING MINUTES

October 26, 2011

CALL TO ORDER

Commissioner Frey called the meeting to order at 7:02 p.m. with the following members present: Julie Williams, Richard Bokovoy, Elaine Carnahan, Bob Minton and Sam Abdullai.

The following members were absent: Nancy Hite (excused), Cory Springhorn (excused) and Kamilyn Choi (excused). Also present was Tessia Melvin, Assistant to the City Manager/Communications.

APPROVAL OF MINUTES

Commissioner Williams moved to accept the September 28 minutes, seconded by Commissioner Minton.

Vote: 7 AYES 0 NAYS

BRAINSTORM OF IDEAS FOR NEXT COMMUNITY DIALOGUE

Commissioner Williams presented information on Facing Race and possible potential speakers. There are three conversations: race and racism, white privilege and myths that support racism. Commissioner Carnahan commented that she has been to several Facing Race trainings..

Commissioner Abdullai stated that the Bullying topic is a topic that is national and it is what the Mayor showed interest. Melvin suggested a series that could include multi-generational from schools, work and nursing homes.

Commissioner Williams expressed concern about the length of the video. Other Commissioners commented that the video is so moving that it is necessary. Commissioner Carnahan added that the video is only 35 minutes.

After a discussion about bullying and the lack of ethics, Commissioner Williams suggested that maybe the Commission needed to revisit the *Children Who Care* booklet. Commissioners discussed the possibility of having a series on bullying that may include:

- Bullying Video
- Mob Mentality
- Apathy

Commissioner Frey asked the question about organizing the series. Commissioner Williams suggested inviting Tom Duke to facilitate. Commissioner Williams suggested looking into the Minnesota Student Survey to gather more statistics. Melvin agreed to gather information about the survey.

Melvin suggested that the Commission take the next month to look at resources. Commissioner Carnahan volunteered to contact Julie from Mounds View School. Melvin agreed to contact the anti-bullying organization in Richfield and the Department of Education.

Melvin asked all Commissioners to do some research on bullying and come back in November with some ideas and resources on bullying.

OTHER BUSINESS

Commissioner Abdullai reported on the League's October meeting. Part of the meeting included discussion on the Essay Contest. Abdullai reported that the League will host a 40th Celebration on December 2.

Commissioner Minton reported on the co-sponsorship with Roseville on Project 515. He commented that it was well attended and there were some interesting commentary.

ADJOURN

There being no further business, Commissioner Carnahan moved to adjourn the meeting at 8:29 p.m., seconded by Commissioner Minton.

Motion was adopted unanimously.

SHOREVIEW BIKEWAYS & TRAILS COMMITTEE

Meeting Minutes

November 3, 2011

1. CALL TO ORDER

The meeting was called to order at 7:00 p.m.

2. ROLL CALL

Members Present: Keith Severson, Craig Mullenbach, Jay Martin, Craig Francisco, Bill Atkins, Judd Zandstra, Mark Stange,

Members Absent: Patricia Evans

Guests: None

City Staff: Charlie Grill

3. APPROVAL OF AGENDA

The agenda was approved.

4. APPROVAL OF MEETING MINUTES

The minutes of the September 1, 2011 meeting were reviewed and approved by consensus of the Committee.

5. COMMITTEE DISCUSSION ITEMS

The meeting began with Charlie reviewing the October, 2011 Public Works monthly report. Charlie introduced the "GoRamsey.Org" trail GIS system and reviewed some of the functions and abilities. All committee members received information regarding the site and will bring any suggestions or questions to the December meeting.

The Committee then reviewed the plans for Ramsey County trail extension. They did comment that there were a few inconsistencies with regards to the map showing current trails system. While the committee did agree that most of the proposed trails were in good locations, they would have liked to have seen more information regarding the Trout Brook Trail. After discussing, all Committee members agreed to support the Ramsey County Trout Brook Regional Trail Extensions.

It was noted that by supporting these extensions, it is in no way replacing the Committee's annual recommendations for trail development. Discussions regarding the Committee's official trail development recommendations will take place at the December meeting.

6. ADJOURNMENT

The meeting was adjourned at 7:55 PM.

Minutes of Regular Meeting

ENVIRONMENTAL QUALITY COMMITTEE

November 28, 2011

1. CALL TO ORDER

The meeting was called to order at approximately 7:08pm.

2. ROLL CALL

Members Present: Tim Pratt, Susan Rengstorf, Katrina Corum, Dan Westerman, Scott Halstead, Lisa Shaffer-Schreiber, Mike Prouty

Members Absent: Len Ferrington

City Staff Present: Tom Wesolowski – Assistant City Engineer
Jessica Schaum – Environmental Officer

3. APPROVAL OF AGENDA

The agenda was approved with no changes.

4. APPROVAL OF MEETING MINUTES – October 24, 2011

The minutes were approved with no changes.

5. BUSINESS

A. Introduce Jessica Schaum – City's Environmental Officer

B. Dovetail Partners – Dr. Jim Bowyer

Jim gave an overview of different green building programs and life cycle assessment systems available in the United States to give some advice to the Committee in preparation for the meeting with the Planning Commission. The Committee is interested in looking into options for green remodeling and renovation in city code, promoting home energy audits to increase energy efficiency, possible incentives, and may add recognizing green building best practices to the Green Community Award program.

Jim identified that the two most worthwhile building projects for the Committee to consider are looking at energy use and water quality/conservation.

C. Review of 2011 – 2012 Work Plan

Members agreed that the Work Plan Calendar was feasible and there were no changes.

D. Speaker Series Update

- a. Benefits of Installing a Raingarden, Jan 18th – Dawn Pape, speaker
- b. Bird Feeding the Right Way, Feb 15th – Susan will work to find a speaker.
- c. Twin Cities Ecosystem Project, March 21st – Lawrence Baker, speaker
- d. Metro Transit's Vision around Shoreview and Northern Suburbs, April 18th - Scott will work to find a speaker, nobody specific yet.

Katrina will put together a flier/poster to advertise the Series and the committee discussed some type of thank-you gift for the speakers – a gift card to a green business in Shoreview would be ideal.

The speaker series is the third Wednesday of each month from January to April and runs from 7 to 8pm.

E. Alliance for Sustainability Meeting Update

Tim and Susan attended and participated in a GreenStep Cities track, there was also a Complete Streets track. The committee is interested in inviting Phillip Muessig from the MPCA to present the new, revised qualifications for GreenStep Cities in March after they are published.

On the topic of Complete Streets, Tom W. will check into what green design features are possible or planned for next year's road construction process. Narrow streets and infiltration chambers were mentioned.

F. Public Works Update

- a. Buffalo Lane – The project is completed, 4 of 4 septic systems will be converted to city sewer and water by next spring. The City only has about 8 septic systems left in operation.
- b. 2012 Proposed Reconstruction Project – Floral Drive, Demar Avenue, and County F west of Hodgson Road are in the early design phase, the area was surveyed and soil borings have been completed.
- c. Stonehenge Development – moving ahead, should be grading soon.
- d. Cascades – Senior housing development also moving forward.
- e. Other cities are contacting us about our full depth reclamation streets for the materials savings and long-term durability features, exciting to be a leading example for other communities.

G. Cancel December Meeting

The Committee agreed to cancel the December meeting. In lieu of the meeting, a few tasks were assigned:

- a. Jessica will put together some information on the IGCC and their green building for residential checklist and distribute to members.
- b. Michael will write a ShoreViews article on home energy audits and entice residents to participate
- c. Tim will ask Len to write a summary and background of the Green Community Award program for Committee members. At the January 23rd meeting the Committee will evaluate options for revising and/or expanding the program.

H. Other

- a. There is an opening on the Committee, as Chris Nelson is leaving. Please keep in mind good candidates and ask them to apply, it will be advertised on the City's website.

- b. At the January meeting, the Committee will decide the future of the Green Community Award program since the Green Community Committee has dissolved.

I. Adjournment

The meeting adjourned at approximately 8:50pm.

DRAFT

MOTION SHEET

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To approve the following payment of bills as presented by the finance department.

Date	Description	Amount
11/21/2011	Accounts payable	\$ 23,376.45
11/23/2011	Accounts payable	\$ 5,375.95
11/29/2011	Accounts payable	\$ 21,291.04
12/1/2011	Accounts payable	\$ 161,259.56
12/5/2011	Accounts payable	\$ 65,567.59
Sub-total Accounts Payable		\$ 276,870.59
12/2/2011	Payroll 123529 to 123575 954652 to 954830	\$150,585.53
Sub-total Payroll		\$ 150,585.53
TOTAL		\$ 427,456.12

ROLL CALL:	AYES	NAYS
Huffman		
Quigley		
Wickstrom		
Withhart		
Martin		

12/5/2011

COUNCIL REPORT

[illegible]

COUNCIL REPORT

[illegible]

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
A & L SUPERIOR SOD, INC	SOD FOR STORM POND WORK	603	45850	2180				\$260.08	\$260.08
A BOOK APART	REFERENCE BOOKS	101	40550	4350				\$9.00	\$9.00
A TO Z PARTY SUPPLIES.COM	NEW YEARS EVE SUPPLIES	225	43580	2172				\$137.28	\$137.28
ADOBE STORE NORTH AMERICA	ADOBE ACRBAT X STANDARD	101	40550	2180				\$148.91	\$148.91
ADOBE STORE NORTH AMERICA	ADOBE INDESIGN 5.5 UPGRADE	101	40550	2180				\$170.55	\$170.55
AMAZON.COM	ZVOX MINI SPEAKER	422	40550	5800				\$199.00	\$199.00
AMERICAN ASSOCIATION OF NOTARI	NOTARY STAMP: LUKOSKIE	101	44100	2010				\$21.90	\$21.90
AMERICAN POWER CONVERSION	APC SMART UPS REPLACEMENT	101	40550	3860				\$1,107.71	\$1,107.71
BONGARDE.COM	SAFETY POSTER	101	40210	4890				\$29.95	\$29.95
CENTURY COLLEGE	INDIVIDUAL EXCELLENCE CLASS: EMERT	101	43400	4500				\$105.00	\$105.00
CENTURY COLLEGE	ADOBE PHOTOSHOP CLASS: MELVIN	101	40200	4500				\$270.00	\$270.00
CENTURY COLLEGE	ADOBE PHOTOSHOP TEXTBOOKS: MELVIN	101	40200	4500				\$58.00	\$58.00
CENTURY COLLEGE	REFUND ADOBE PHOTOSHOP CLASS: MELVIN	101	40200	4500				-\$135.00	-\$135.00
CLASSIC COLLISION CENTER	PREMIUM FUEL	701	46500	2120				\$85.05	
COCA COLA REFRESHMENTS	WAVE CAFE BEVERAGE FOR RESALE	220	43800	2590				\$180.79	\$180.79
COMCAST.COM	MODEM 2 INTERNET CHARGES	230	40900	3190				\$125.25	\$125.25
COMCAST.COM	GUEST ACCESS INTERNET SERVICES: NOV 2011	220	43800	3950				\$59.95	
COMCAST.COM	COMPLEX STAFF INTERNET SERVICES: NOV 11	230	40900	3190				\$64.44	\$64.44
CONSTANT CONTACT.COM	EMAIL MARKETING SERVICE: OCTOBER	459	43800	3190				\$40.00	\$80.00
		225	43400	4330				\$40.00	
GENESIS EMPLOYEE BENEFITS, INC	FLEX - MED/DEPENDENT CARE 11-25-11	101	20431					\$751.39	\$1,720.06
		101	20432					\$968.67	
GOLDEN DELI & MARKET	APWA MEETING SUPPLIES	101	11500					\$203.75	
GOMADIC CORPORATION	CAR ADAPTER	101	40550	2010				\$24.25	\$24.25
GOWIN.COM	BATTERY REPLACEMENTS	101	40550	3860				\$318.52	\$318.52
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$19.52	
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$19.52	\$19.52
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$16.19	\$16.19
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$16.16	\$16.16
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$19.49	\$19.49
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$19.50	\$19.50
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590				\$19.50	\$19.50
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591				\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591				\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591				\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591				\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591				\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591				\$19.99	\$19.99
GREATER METROPOLITAN HOUSING C	ADMIN FEE - ENERGY LOAN PROGRAM/KENT CT	307	44100	4890				\$800.00	\$800.00
GREEN MILL PIZZA	EDA SUPPLIES	240	44400	2180				\$85.27	\$85.27
I STOCK PHOTO LP.COM	PHOTO CREDITS	101	40200	2010				\$430.00	\$430.00
KASCO MARINE, INC.	POTTING RESIN KIT	603	45850	2180				\$83.96	\$83.96
MADISON NATIONAL LIFE	LONG TERM DISABILITY INSUR:NOVEMBER 2011	101	20412					\$1,716.62	\$1,716.62
MEMORY TEN	SERVER MEMORY	101	40550	2180				\$203.92	\$203.92
MOSQUITO PRODUCTIONS	DIVE IN MOVIE NOV 25	225	43590	3173				\$318.70	\$318.70
NATIONAL STUDENT CLEARING HOUS	DEGREE VERIFICATION	101	40210	4890				\$6.50	\$6.50
NATIONAL STUDENT CLEARING HOUS	DEGREE VERIFICATION	101	40210	4890				\$11.50	\$11.50
PANINO'S	MEETING SUPPLIES	101	43400	4500				\$166.18	\$166.18
PARTY AMERICA CORPORATE OFFICE	NEW YEARS EVE EVENT SUPPLIES/HAIR	225	43580	2172				\$188.93	\$188.93
POS PAPER.COM	CREDIT CARD IMPRINTERS	225	43560	2170				\$22.82	\$45.65
		220	43800	2010				\$22.83	

Vendor Name

Description

FF

GG

00

AA

CC

Wir

Amount

Invoice Amt

RAINBOW FOODS	SAFETY AWARD SUPPLIES	101 40210 4890	\$20.55	\$20.55
STAPLES.COM	GENERAL OFFICE SUPPLIES	101 40210 2180	\$35.33	\$54.92
		101 40200 2010	\$19.59	
SUBWAY	GIFT OF GIVING SUPPLIES	101 40210 4890	\$7.00	\$7.00
SUBWAY	GIFT OF GIVING SUPPLIES	101 40210 4890	\$7.00	\$7.00
SUBWAY	GIFT OF GIVING SUPPLIES	101 40210 4890	\$7.00	\$7.00
SUBWAY	GIFT OF GIVING SUPPLIES	101 40210 4890	\$7.00	\$7.00
SUBWAY	GIFT OF GIVING SUPPLIES	101 40210 4890	\$7.00	\$7.00
TDS METROCOM	TELEPHONE SERVICES	101 40200 3210	\$1,215.08	\$1,887.63
		101 43710 3210	\$250.71	
		601 45050 3210	\$34.93	
		230 40900 3190	\$386.91	
WATSON COMPANY	BREAK ROOM SUPPLIES	101 40800 2180	\$85.12	\$85.12
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	220 43800 2590	\$1,307.21	\$1,307.21
YOCUM OIL COMPANY INC.	FUEL FOR MAINT CENTER EQUIP.	701 46500 2120	\$4,071.27	\$4,071.27
YOCUM OIL COMPANY INC.	FUEL FOR MAINT CENTER EQUIP.	701 46500 2120	\$1,996.33	\$1,996.33
YOCUM OIL COMPANY INC.	FUEL FOR MAINT CENTER EQUIP.	701 46500 2120	\$2,281.52	\$2,281.52

Total of all invoices: \$21,291.04

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
10,000 LAKES CHAPTER	MEMBERSHIP DUES-STEVE NELSON	101	44300	4330				\$115.00	\$115.00
AARP C/O RAY MURRAY	21 PARTICIPANTS FOR DEF DRIVING	225	43590	3174				\$268.00	\$268.00
AARP C/O RICHARD KEY	36 PARTICIPANTS 4 HOUR DEF DRIVING	225	43590	3174				\$466.00	\$466.00
ASSOCIATION OF MN BUILDING OFF	MEMBERSHIP DUES - STEVE NELSON	101	44300	4330				\$100.00	\$100.00
COMMISSIONER OF REVENUE- WH TA	WITHHOLDING TAX - PAYDATE 12-02-11	101	21720					\$9,051.99	\$9,051.99
COMMUNITY HEALTH CHARITIES - M	EMPLOYEE CONTRIBUTIONS: 12-02-11	101	20420					\$153.00	\$153.00
DELTA DENTAL	DENTAL COVERAGE: DECEMBER 2011	101	20415					\$6,975.39	\$7,098.13
		101	20411					\$122.74	
ENGLEHART, JOYCE	PASS REFUND	220	22040					\$44.66	\$44.66
GENESIS EMPLOYEE BENEFITS, INC	VEBA CONTRIBUTIONS:12-02-11	101	20418					\$5,610.00	\$5,610.00
HOME DEPOT, THE	SHOP TOOLS CC	220	43800	2400				\$171.04	\$171.04
ICMA/VANTAGEPOINT TRANSFER-300	EMPLOYEE CONTRIBUTIONS PAYDATE: 12/02/11	101	21750					\$12,206.57	\$12,206.57
ICMA/VANTAGEPOINT TRANSFER-705	ROTH CONTRIBUTIONS: 12-02-11	101	20430					\$398.00	\$398.00
KIDS CLUB, CHISAGO LAKES	FACILITY REFUND	220	22040					\$114.75	\$114.75
LINDERS GREENHOUSE *** ST. PAU	WINTER DECORATIONS FOR OUTSIDE POTS	459	43800	2180				\$811.57	\$811.57
METROPOLITAN COURIER CORPORATI	ARMORED CAR SERVICES: NOVEMBER 2011	101	40500	4890				\$104.21	\$416.81
		220	43800	4890				\$104.20	
		601	45050	4890				\$104.20	
		602	45550	4890				\$104.20	
MINNESOTA CHILD SUPPORT PAYMEN	PAYDATE: 12-02-11	101	20435					\$209.00	\$209.00
MINNESOTA ENVIRONMENTAL FUND	MN ENVIRONMENTAL EMPL CONTRIB: 12-02-11	101	20420					\$15.00	\$15.00
MINNESOTA METRO NORTH TOURISM	OCT HOTEL/MOTEL TAX/3 SITES	101	38420					-\$1,024.85	
		101	22079					\$20,497.08	\$19,472.23
MOUNDS VIEW PUBLIC SCHOOLS	BUILDING SUPERVISOR-WINTER SPORTS	225	43510	3190				\$54.00	\$54.00
MOUNDS VIEW PUBLIC SCHOOLS	BUILDING SUPERVISOR-WINTER SPORTS	225	43510	3190				\$54.00	\$54.00
MOUNDS VIEW PUBLIC SCHOOLS	BUILDING SUPERVISOR-WINTER SPORTS	225	43510	3190				\$54.00	\$54.00
MOUNDS VIEW PUBLIC SCHOOLS	BUILDING SUPERVISOR-WINTER SPORTS	225	43510	3190				\$54.00	\$54.00
MOUNDS VIEW PUBLIC SCHOOLS	BUILDING SUPERVISOR-WINTER SPORTS	225	43510	3190				\$54.00	\$54.00
NCPERS MINNESOTA	PERA LIFE INSURANCE: DECEMBER 2011	101	20413					\$240.00	
PARK BUS COMPANY	SHORELINER TRANSPORTATION	225	43590	3174				\$441.25	\$441.25
PUBLIC EMPLOYEES RETIREMENT AS	EMPL/EMPLOYER CONTRIBUTIONS: 12-02-11	101	21740					\$27,786.92	\$27,636.56
		101	21740					-\$10.66	
		101	21740					-\$139.70	
ROSEVILLE PARK AND RECREATION	BUNKER BEACH REIMBURSEMENT	225	43590	3175				\$231.00	\$231.00
ROSEVILLE PARK AND RECREATION	BASE CAMP REIMBURSEMENT	225	43590	3175				\$209.69	\$209.69
SCHWARZ, JESSICA	PASS REFUND	220	22040					\$31.07	\$31.07
SIGNATURE LIGHTING INC	ST LIGHT REPAIR-4150 SNAIL LK BLVD	604	42600	3810				\$699.34	
SIGNATURE LIGHTING INC	ST LIGHT REPAIR-SPRING HAVEN/LEXINGTON	604	42600	3810				\$205.27	\$205.27
TARGET COMMERCIAL INTERIORS	LABOR FOR OFFICE FURNITURE INSTALL	405	43800	5600				\$8,190.37	\$8,190.37
TREASURY, DEPARTMENT OF	FEDERAL WITHHOLDING TAX: 12-02-11	101	21710					\$21,632.02	
		101	21730					\$21,929.76	\$49,987.42
		101	21735					\$6,425.64	
U S BANK/REVTRAK	FEB 2011 CREDIT CARD FEES	101	44300	4890				\$85.14	
		101	40500	4890				\$55.22	
		220	43800	4890				\$3,134.92	\$6,273.14
		225	43400	4890				\$665.13	
		601	45050	4890				\$1,166.37	
		602	45550	4890				\$1,166.36	
U S BANK/REVTRAK	MARCH 2011 CREDIT CARD FEES	101	44300	4890				\$171.70	
		101	40500	4890				\$10.49	
		220	43800	4890				\$3,819.98	

Vendor Name

FF GG OO AA CC

Line Amount

Invoice Amt

225 43400 4890

\$3,757.01

601 45050 4890

\$1,144.76

602 45550 4890

\$1,144.76

\$10,048.70

UNITED WAY - GREATER TWIN CITI EMPLOYEE CONTRIBUTIONS: 12-02-11

101 20420

\$74.00

Total of all invoices:

\$161,259.56

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
4IMPRINT	SITTER SACKS (100)	225	43580	2170				\$207.52	\$207.52
ADT SECURITY SERVICES INC	ALARM MONITORING QUARTERLY BILL	101	40210	3190				\$83.26	\$83.26
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTALS - MAINTENANCE CENTER	101	42200	3970				\$79.98	\$245.28
		601	45050	3970				\$51.49	
		602	45550	3970				\$51.50	
		603	45850	3970				\$31.15	
		701	46500	3970				\$31.16	
AMERI PRIDE LINEN & APPAREL SE	PARK MAINTENANCE UNIFORM RENTALS	101	43710	3970				\$62.71	\$62.71
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTALS FOR COMM CNTR EMPLOYEES	220	43800	3970				\$45.68	\$45.68
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTALS - MAINTENANCE CENTER	101	42200	3970				\$62.01	\$248.05
		601	45050	3970				\$62.01	
		602	45550	3970				\$62.01	
		603	45850	3970				\$31.01	
		701	46500	3970				\$31.01	
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL PARKS	101	43710	3970				\$59.35	\$59.35
AMERI PRIDE LINEN & APPAREL SE	UNIFORM RENTAL CC	220	43800	3970				\$45.68	\$45.68
AMERICAN ENGINEERING TESTING,	TANGLEWOOD/VICTORIA CP11-08 TESTING SERV	569	47000	5920				\$8,395.70	
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110				\$79.17	\$79.17
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110				\$55.47	\$55.47
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110				\$17.56	\$17.56
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110				\$1,870.15	\$1,870.15
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110				\$2,718.01	
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110				\$2,039.87	\$2,039.87
AMSAN BRISSMAN KENNEDY	CLEANING SUPPLIES CC	220	43800	2110				\$75.33	\$75.33
ANIMAL CONTROL SERVICES	PATROL HOURS - 11/1 - 11/20/11	101	41100	3199				\$1,132.00	\$1,132.00
AUTO PLUS	WINDOW SCRAPERS	701	46500	2180				\$12.78	\$12.78
AUTOMATIC SYSTEMS CO, INC	PANELVIEW SCREEN FOR WELL 6	601	45050	3190				\$3,281.99	\$3,281.99
AV NOW, INC	GROUP FITNESS MICROPHONE	225	43530	2170				\$254.99	\$254.99
BARNESS, KIRSTIN	NOVEMBER 2011 CONSULTING	240	44400	3190				\$495.00	\$4,042.50
		101	22020					\$2,887.50	
		307	44100	4890				\$660.00	
BEISSWENGERS HARDWARE	SNOW SHOVELS AND WEAR STRIPS	101	43710	2400				\$239.70	\$239.70
BEISSWENGERS HARDWARE	SNOW SHOVEL HANDLES	101	43710	2400				\$26.55	\$26.55
BEISSWENGERS HARDWARE	GAS VENT TOP FOR WILSON BLDG	101	43710	2240				\$26.38	\$26.38
BEISSWENGERS HARDWARE	PARTS FOR CHLORIDE TANK	701	46500	2180				\$11.15	\$11.15
BOLTON & MENK, INC	SANITARY AND STORM SEWER LIFTSTATIONS	441	47000	5910				\$7,699.28	
BOYER TRUCK PARTS INC.	PARTS FOR 204	701	46500	2180				\$8.45	\$8.45
BOYER TRUCK PARTS INC.	PARTS FOR 204	701	46500	2220				\$67.07	\$67.07
C & E HARDWARE	BOOSTER STATION HATCHES	601	45050	2280				\$18.46	
C & E HARDWARE	PARTS FOR SINK	701	46500	2183				\$16.77	\$16.77
C & E HARDWARE	BOLTS	701	46500	2180				\$10.17	\$10.17
CATCO PARTS SERVICE	PARTS FOR ROLLER	701	46500	2180				\$93.25	\$93.25
CATCO PARTS SERVICE	PARTS FOR 608 & 603	701	46500	2180				\$57.97	\$57.97
CATCO PARTS SERVICE	WHEEL CHOCKS	701	46500	2180				\$65.92	\$65.92
CDW GOVERNMENT, INC	PC REPLACEMENTS	422	40550	5800				\$927.30	\$927.30
CDW GOVERNMENT, INC	MEMORY STICK	101	40550	2010				\$32.44	\$32.44
CENTURY COLLEGE	ELLIOTT, HAMMITT, MAJOZAK, RILEY, STAUFF	101	40210	4500				\$240.00	\$796.00
		101	42050	4500				\$139.00	
		220	43800	4500				\$417.00	
COMMERCIAL ASPHALT CO	ASPHALT	101	42200	2180				\$631.80	
COMMERCIAL DOOR SYSTEMS, INC	INSTALL OF REPLACEMENT DOOR	220	43800	3810				\$200.00	\$200.00

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
CONSOLIDATED	SUPPLIES	101	44300	2010				\$346.32	\$346.32
CONTINENTAL RESEARCH CORPORATI	MIGHTY FOAM, DEICER	601	45050	2280				\$200.00	\$487.84
		602	45550	2280				\$287.84	
CRYSTEEL DIST. INC.	PLOW PARTS	701	46500	2180				\$79.19	\$79.19
CRYSTEEL DIST. INC.	PLOW PARTS FOR 212	701	46500	2180				\$63.15	\$63.15
CRYSTEEL DIST. INC.	PLOW PARTS	701	46500	2180				\$326.20	\$326.20
DAKOTA SUPPLY GROUP	METER BASES FOR STOCK	601	45050	2510				\$653.89	
DAKOTA SUPPLY GROUP	REPEATER FOR WELLS FARGO METERS	601	45050	2510				\$166.95	\$166.95
ELECTRO WATCHMAN INC.	SECURITY ALARM SYSTEM MONITORING	701	46500	3196				\$80.18	\$80.18
ENVIRONMENTAL SYSTEMS RESEARCH	GIS SOFTWARE MAINTENANCE	101	40550	3860				\$3,000.07	\$3,000.07
ENVIROTECH SERVICES, INC.	3005 GALS. APEX LIQUID D-ICER	101	42200	2181				\$3,532.75	\$3,532.75
EXTRACTOR CORPORATION	REPLACEMENT SUIT SPINNER CC	220	43800	2240				\$611.00	\$611.00
FEDEX	ACTIVE LIFE FAIR	225	43590	2174				\$7.98	\$7.98
GRAINGER, INC.	EXTENTION POLE ENDS FOR HOLIDAY LIGHTS	101	43710	2400				\$21.79	\$21.79
GRAINGER, INC.	VALVES (SPARES)	701	46500	2180				\$156.98	\$156.98
HAWKINS, INC.	FLOURIDE FOR BOOSTER	601	45050	2160				\$2,770.94	\$2,770.94
L T G POWER EQUIPMENT	CHAIN SAW PARTS	701	46500	2220				\$57.09	\$57.09
M-B COMPANIES, INC	BROOM FOR TRACKLESS & TOOLCAT	701	46500	2180				\$730.22	\$730.22
MAC QUEEN EQUIPMENT INC.	PARTS FOR CROSSWIND SWEEPER	701	46500	2180				\$324.58	\$324.58
MENARDS CASHWAY LUMBER **FRIDL	HASP FOR BOOSTER	601	45050	2280				\$2.21	\$2.21
MENARDS CASHWAY LUMBER **FRIDL	WEATHER STRIPPING FOR BOOSTER	601	45050	2280				\$10.84	\$10.84
MENARDS CASHWAY LUMBER **FRIDL	HOLIDAY LIGHT EXTENSION CORDS	101	43710	2240				\$116.34	\$116.34
MENARDS CASHWAY LUMBER *MAPLEW	TRASH CANS FOR SALT AT BUS STOPS	101	42200	2180				\$47.93	\$47.93
MENARDS CASHWAY LUMBER *MAPLEW	TRASH CAN FOR SALT AT BUS STOPS	101	42200	2180				\$5.35	\$5.35
MENARDS CASHWAY LUMBER *MAPLEW	SUPPLIES	701	46500	2180				\$21.31	\$21.31
NAPA AUTO PARTS	FILTER FOR ROLLER	701	46500	2180				\$4.60	\$4.60
NEWMAN SIGNS	SIGN BLANKS	101	42200	2180				\$98.98	\$98.98
NEXT DAY GOURMET/SUPERIOR PROD	COFFEE POT FOR SENIOR SUPPLIES	225	43590	2174				\$184.78	\$184.78
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	101	42050	2010				\$8.81	\$8.81
OFFICE DEPOT	PLANNER: SCHAUM	101	42050	2010				\$13.19	\$13.19
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	225	43580	2170				\$4.52	\$304.08
		101	42050	2010				\$53.42	
		220	43800	2010				\$47.87	
		225	43510	2170				\$22.60	
		225	43555	2170				\$34.48	
		459	43800	3190				\$91.89	
		225	43400	2180				\$49.30	
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	225	43400	2180				\$21.36	\$93.14
		101	40550	2010				\$58.56	
		101	40500	2010				\$13.22	
OFFICE DEPOT	CALENDAR MEETING ROOMS	101	40200	2010				\$9.65	
OXYGEN SERVICE COMPANY	WELDING SUPPLIES	701	46500	2180				\$79.50	\$79.50
PARTS ASSOCIATES, INC.	SHOP SUPPLIES	701	46500	2180				\$294.64	\$294.64
PARTY AMERICA CORPORATE OFFICE	ALF SUPPLIES	225	43590	2174				\$64.46	
PROVEN FORCE CLUTCH & U-JOINT	PARTS FOR 206	701	46500	2220				\$79.17	\$79.17
PUSH PEDAL PULL	REPAIRS TO ROWER CC	220	43800	3890				\$144.98	\$144.98
SAM'S CLUB DIRECT	ALF FOOD/SHORELINERS/SENIOR PROGRAMS	225	43590	2174				\$347.88	\$347.88
SCHREIBER MULLANEY CONSTRCT CO	REPAIRS TO DRYWALL BY FIREPLACE CC	220	43800	3810				\$485.00	\$485.00
SPRINT	CELL PHONE - 10/15 - 11/14/11	601	45050	3190				\$220.00	\$942.70
		101	44300	3190				\$40.00	
		101	40200	3210				\$682.70	

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
STANLEY ACCESS TECH	SLIDING DOOR MAINTENANCE CC	220	43800	3810			\$1,157.64	\$1,157.64
STANLEY ACCESS TECH LLC	REPAIRS TO LOWER LEVEL SLIDING DOORS CC	220	43800	3810			\$331.29	
TARGET COMMERCIAL INVOICE	SUPPLIES/SHORELINERS	225	43580	2170			\$22.24	\$268.91
		225	43590	2174			\$246.67	
TARGET COMMERCIAL INVOICE	HOLIDAY LIGHTING SUPPLIES	101	40200	4890			\$6.08	\$6.08
TARGET COMMERCIAL INVOICE	SCHOOLS OUT/NYE/SENIOR SUPPLIES	225	43580	2170			\$41.07	\$113.18
		225	43580	2172			\$47.11	
		225	43590	2174			\$25.00	
TARGET COMMERCIAL INVOICE	SHORELINER HOLIDAY SUPPLIES	225	43590	2174			\$360.14	\$360.14
TERMINAL SUPPLY CO	FUSES	701	46500	2180			\$17.30	\$17.30
TRANSPORTATION SUPPLIES INC	TOOLS	701	46500	2400			\$111.92	
TRI STATE BOBCAT, INC.	TOOLCAT BLOWER PARTS	701	46500	2180			\$151.73	\$151.73
VIKING INDUSTRIAL CENTER	CLASS II HI-VIS UNIFORM JACKET	101	42200	3970			\$43.50	
		601	45050	3970			\$43.50	
		602	45550	3970			\$43.50	\$174.00
		603	45850	3970			\$21.75	
		701	46500	3970			\$21.75	
W.D.LARSON COMPANIES LTD, INC.	FILTERS FOR STOCK	701	46500	2180			\$24.84	\$24.84
WEBBER RECREATIONAL DESIGN, IN	REPLACEMENT HANDRAIL FOR SKATEPARK	101	43710	2240			\$678.66	\$678.66
WSB & ASSOCIATES, INC.	WELLHEAD PLAN PART 2 - CONSULTING FEES	601	45050	4890			\$1,522.00	
XTRME INC.	UNIFORM PUBLIC WORKS HATS	101	42200	3970			\$64.00	\$256.00
		601	45050	3970			\$64.00	
		602	45550	3970			\$64.00	
		603	45850	3970			\$32.00	
		701	46500	3970			\$32.00	
YALE MECHANICAL INC	CONTRACT HVAC MAINTENANCE CC	220	43800	3190			\$674.25	
YALE MECHANICAL INC	REPAIRS TO BOILER CC	220	43800	3810			\$2,157.99	\$2,157.99
YALE MECHANICAL INC	CONTRACT HVAC MAINTENANCE CC	220	43800	3190			\$4,046.11	\$4,046.11
ZACKS INC.	SHOP SUPPLIES	701	46500	2180			\$416.04	\$416.04
ZEP MANUFACTURING COMPANY	GREASE	701	46500	2180			\$254.51	\$254.51
ZIEGLER, INCORPORATED	PARTS FOR 287B	701	46500	2220			\$34.25	\$34.25
ZIEGLER, INCORPORATED	PARTS FOR 287B	701	46500	2220			\$132.38	\$132.38
							Total of all invoices:	\$65,567.59

PROPOSED MOTION

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

to approve Resolution No. 11-90 reducing the following escrows:

Erosion Control and Development Cash Deposits for the following properties in the amounts listed:

948 County Rd I	Beitler Building Systems	\$ 500.00
3288 Owasso Heights Rd	WINCO	\$ 1,000.00
3288 Owasso Heights Rd	PMI Homes	\$ 2,000.00
3294 Owasso Heights Rd	WINCO	\$ 500.00
3294 Owasso Heights Rd	PMI Homes	\$ 1,000.00
3135 Park Overlook Dr	Southview Design	\$ 500.00
5995 Hodgson Rd	Roto Rooter	\$ 1,000.00
1803 Parkview Dr	McGough Construction	\$10,750.00
3205 Owasso Blvd W	Constructive Builders	\$ 1,000.00
3330 Victoria St N	Dean Otteson	\$ 1,000.00
668 Highway 96	Timothy Ley	\$ 1,000.00

ROLL CALL: AYES_____NAYS_____

HUFFMAN	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

REGULAR COUNCIL MEETING
DECEMBER 5, 2011

TO: MAYOR, CITY COUNCIL, CITY MANAGER

FROM: THOMAS L. HAMMITT
SENIOR ENGINEERING TECHNICIAN

DATE: DECEMBER 1, 2011

SUBJECT: DEVELOPER ESCROW REDUCTIONS

INTRODUCTION

The following escrow reductions have been prepared and are presented to the City Council for approval.

BACKGROUND

The property owners/builders listed below have completed all or portions of the erosion control and turf establishment, landscaping or other construction in the right of way as required in the development contracts or building permits.

948 County Rd I	Erosion Control completed
3288 Owasso Heights Rd	Erosion Control completed
3288 Owasso Heights Rd	Erosion Control completed
3294 Owasso Heights Rd	Erosion Control completed
3294 Owasso Heights Rd	Erosion Control completed
3135 Park Overlook Dr	Erosion Control completed
5995 Hodgson Rd	Trail Repair Completed
1803 Parkview Dr	Erosion & Landscaping completed
3205 Owasso Blvd W	Erosion Control completed
3330 Victoria St N	Erosion Control completed
668 Highway 96	Erosion Control completed

RECOMMENDATION

It is recommended that the City Council approve releasing all or portions of the escrows for the following properties in the amounts listed below:

948 County Rd I	Beitler Building Systems	\$ 500.00
3288 Owasso Heights Rd	WINCO	\$ 1,000.00
3288 Owasso Heights Rd	PMI Homes	\$ 2,000.00
3294 Owasso Heights Rd	WINCO	\$ 500.00
3294 Owasso Heights Rd	PMI Homes	\$ 1,000.00
3135 Park Overlook Dr	Southview Design	\$ 500.00
5995 Hodgson Rd	Roto Rooter	\$ 1,000.00
1803 Parkview Dr	McGough Construction	\$10,750.00
3205 Owasso Blvd W	Constructive Builders	\$ 1,000.00
3330 Victoria St N	Dean Otteson	\$ 1,000.00
668 Highway 96	Timothy Ley	\$ 1,000.00

PROPOSED

**EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF SHOREVIEW, MINNESOTA**

HELD DECEMBER 5, 2011

* * * * *

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota was duly called and held at the Shoreview City Hall in said City on December 5, 2011 at 7:00 p.m. The following members were present:

and the following members were absent:

Member introduced the following resolution and moved its adoption.

RESOLUTION NO. 11-90

**RESOLUTION ORDERING ESCROW REDUCTIONS
AT VARIOUS LOCATIONS IN THE CITY**

WHEREAS, various builders and developers have submitted cash escrows for erosion control, grading certificates, landscaping and other improvements, and

WHEREAS, City staff have reviewed the sites and developments and is recommending the escrows be returned.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Shoreview, Minnesota, as follows:

The Shoreview Finance Department is authorized to reduce the cash deposit in the amounts listed below:

948 County Rd I	Beitler Building Systems	\$ 500.00
3288 Owasso Heights Rd	WINCO	\$ 1,000.00
3288 Owasso Heights Rd	PMI Homes	\$ 2,000.00
3294 Owasso Heights Rd	WINCO	\$ 500.00
3294 Owasso Heights Rd	PMI Homes	\$ 1,000.00
3135 Park Overlook Dr	Southview Design	\$ 500.00
5995 Hodgson Rd	Roto Rooter	\$ 1,000.00
1803 Parkview Dr	McGough Construction	\$10,750.00
3205 Owasso Blvd W	Constructive Builders	\$ 1,000.00
3330 Victoria St N	Dean Otteson	\$ 1,000.00
668 Highway 96	Timothy Ley	\$ 1,000.00

The motion for the adoption of the foregoing resolution was duly seconded by Member and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted this 5th day of December, 2011.

STATE OF MINNESOTA)
)
COUNTY OF RAMSEY)
)
CITY OF SHOREVIEW)

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City Council held on the 5th day of December, 2011 with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates reducing various escrows.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 6th day of December, 2011.

Terry C. Schwerm
City Manager

SEAL

PROPOSED MOTION

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To adopt Resolution No. 11-86 authorizing the Mayor and City Manager to execute the MN/DOT Agency Agreement No. 99925, Delegated Contract Process.

ROLL CALL: AYES _____ NAYS _____

HUFFMAN	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

REGULAR COUNCIL MEETING
DECEMBER 5, 2011

TO: MAYOR, CITY COUNCIL, CITY MANAGER

FROM: TOM WESOLOWSKI
ASSISTANT CITY ENGINEER

DATE: NOVEMBER 29, 2011

SUBJECT: APPROVAL OF MNDOT AGENCY AGREEMENT NO. 99925
DELEGATED CONTRACT PROCESS

BACKGROUND

The Minnesota Department of Transportation (MnDOT) has submitted an agreement to the City that will authorize MnDOT to act as Shoreview's agent in accepting federal aid funds on construction projects. Council approval is required to enter into the agreement.

DISCUSSION

The agreement allows the City to let and administer contracts on selected federal aid projects using the Delegated Contract Process. As per the agreement MNDOT would act as the City's agent in accepting federal aid funds for qualified projects. The Council approved a similar agreement in 2003 and the new agreement will supersede the 2003 agreement. The City does not currently have a project that would require federal funds, but any future federal aid projects would be covered by the new agreement. A copy of the agreement is attached at the end of this report.

RECOMMENDATION

It is recommended that the City Council approve the above agreement and authorize the Mayor and City Manager to sign said agreement.

STATE OF MINNESOTA AGENCY AGREEMENT
BETWEEN
DEPARTMENT OF TRANSPORTATION
AND
THE CITY OF SHOREVIEW
FOR FEDERAL PARTICIPATION IN CONSTRUCTION

This agreement is entered into by and between the City of Shoreview and the State of Minnesota acting through its Commissioner of Transportation ("MnDOT"),

Pursuant to Minnesota Statutes Section 161.36, the City desires MnDOT to act as the City agent in accepting federal funds on the City behalf for the construction, improvement, or enhancement of transportation financed either in whole or in part by federal funds, hereinafter referred to as the "Project(s)"; and

This agreement is intended to cover all federal aid projects initiated by the City and therefore has not specific State Project number tied to it, and

The Catalog of Federal Domestic Assistance number or CFDA number is 20.205, and

This agreement supersedes agreement number 84220 and;

MnDOT requires that the terms and conditions of this agency be set forth in an agreement.

THE PARTIES AGREE AS FOLLOWS:

I. DUTIES OF THE CITY

A. DESIGNATION. The City designates MnDOT to act as its agent in accepting federal funds in its behalf made available for the Project(s). Details on the required processes and procedures are available on the State Aid Website

B. STAFFING.

1. The City will furnish and assign a publicly employed licensed engineer, ("Project Engineer"), to be in responsible charge of the Project(s) and to supervise and direct the work to be performed under any construction contract let for the Project(s). In the alternative where the City elects to use a private consultant for construction engineering services, the City will provide a qualified, full-time public employee of the City, to be in responsible charge of the Project(s). The services of the City to be performed hereunder may not be assigned, sublet, or transferred unless the City is notified in writing by MnDOT that such action is permitted under 23 CFR 1.33 and 23 CFR 635.105 and state law. This written consent will in no way relieve the City

from its primary responsibility for performance of the work.

2. During the progress of the work on the Project(s), the City authorizes its Project Engineer to request in writing specific engineering and/or technical services from MnDOT, pursuant to Minnesota Statutes Section 161.39. Such services may be covered by other technical service agreements. If MnDOT furnishes the services requested, and if MnDOT requests reimbursement, then the City will promptly pay MnDOT to reimburse the state trunk highway fund for the full cost and expense of furnishing such services. The costs and expenses will include the current MnDOT labor additives and overhead rates, subject to adjustment based on actual direct costs that have been verified by audit. Provision of such services will not be deemed to make MnDOT a principal or co-principal with respect to the Project(s).

C. LETTING. The City will prepare construction contracts in accordance with Minnesota law and applicable Federal laws and regulations.

1. The City will solicit bids after obtaining written notification from MnDOT that the Federal Highway Administration ("FHWA") has authorized the Project(s). Any Project(s) advertised prior to authorization will not be eligible for federal reimbursement.
2. The City will prepare the Proposal for Highway Construction for the construction contract, which will include all of the federal-aid provisions supplied by MnDOT.
3. The City will prepare and publish the bid solicitation for the Project(s) as required by state and federal laws. The City will include in the solicitation the required language for federal-aid construction contracts as supplied by MnDOT. The solicitation will state where the proposals, plans, and specifications are available for the inspection of prospective bidders, and where the City will receive the sealed bids.
4. The City may not include other work in the construction contract for the authorized Project(s) without obtaining prior notification from MnDOT that such work is allowed by FHWA. Failure to obtain such notification may result in the loss of some or all of the federal funds for the Project(s).
5. The City will prepare and sell the plan and proposal packages and prepare and distribute any addendums, if needed.
6. The City will receive and open bids.
7. After the bids are opened, the City Council will consider the bids and will award the bid to the lowest responsible bidder, or reject all bids. If the construction contract contains a goal for Disadvantaged Business Enterprises, the City will not award the bid until it has received certification of the Disadvantaged Business Enterprise participation from the MnDOT Equal Employment Opportunity Office.

D. CONTRACT ADMINISTRATION.

1. The City will prepare and execute a construction contract with the lowest responsible bidder, hereinafter referred to as the "Contractor," in accordance with the special provisions and the latest edition of MnDOT's Standard Specifications for Construction and all amendments thereto.
2. The Project(s) will be constructed in accordance with plans, special provisions, and standard specifications of each Project. The standard specifications will be the latest edition of MnDOT Standard Specifications for Highway Construction, and all amendments thereto. The plans, special provisions, and standard specifications will be on file at the City Engineer's Office. The plans, special provisions, and specifications are incorporated into this agreement by reference as though fully set forth herein.
3. The City will furnish the personnel, services, supplies, and equipment necessary to properly supervise, inspect, and document the work for the Project(s). The services of the City to be performed hereunder may not be assigned, sublet, or transferred unless the City is notified in writing by MnDOT that such action is permitted under 23 CFR 1.33 and 23 CFR 635.105 and state law. This written consent will in no way relieve the City from its primary responsibility for performance of the work.
4. The City will document quantities in accordance with the guidelines set forth in the Construction Section of the Electronic State Aid Manual that were in effect at the time the work was performed.
5. The City will test materials in accordance with the Schedule of Materials Control in effect at the time each Project was let. The City will notify MnDOT when work is in progress on the Project(s) that requires observation by the Independent Assurance Inspector as required by the Independent Assurance Schedule.
6. The City may make changes in the plans or the character of the work, as may be necessary to complete the Project(s), and may enter into supplemental agreement(s) with the Contractor. The City will not be reimbursed for any costs of any work performed under a supplemental agreement unless MnDOT has notified the City that the subject work is eligible for federal funds and sufficient federal funds are available.
7. The City will request approval from MnDOT for all costs in excess of the amount of federal funds previously approved for the Project(s) prior to incurring such costs. Failure to obtain such approval may result in such costs being disallowed for reimbursement.
8. The City will prepare reports, keep records, and perform work so as to enable MnDOT to collect the federal aid sought by the City. Required reports are listed in the MnDOT State Aid Manual, Delegated Contract Process Checklist, available from MnDOT's authorized representative. The City will retain all records and reports in accordance with MnDOT's record retention schedule for federal aid projects.
9. Upon completion of the Project(s), the Project Engineer will determine whether the work will be accepted.

E. PAYMENTS.

1. The entire cost of the Project(s) is to be paid from federal funds made available by the FHWA and by other funds provided by the City. The City will pay any part of the cost or expense of the Project(s) that is not paid by federal funds.
2. The City will prepare partial estimates in accordance with the terms of the construction contract for the Project(s). The Project Engineer will certify each partial estimate. Following certification of the partial estimate, the City will make partial payments to the Contractor in accordance with the terms of the construction contract for the Project(s).
3. Following certification of the partial estimate, the City may request reimbursement for costs eligible for federal funds. The City's request will be made to MnDOT and will include a copy of the certified partial estimate.
4. Upon completion of the Project(s), the City will prepare a final estimate in accordance with the terms of the construction contract for the Project(s). The Project Engineer will certify the final estimate. Following certification of the final estimate, the City will make the final payment to the Contractor in accordance with the terms of the construction contract for the Project(s).
5. Following certification of the final estimate, the City may request reimbursement for costs eligible for federal funds. The City's request will be made to MnDOT and will include a copy of the certified final estimate along with the required records.

F. LIMITATIONS.

1. The City will comply with all applicable Federal, State, and local laws, ordinances, and regulations.
2. Nondiscrimination. It is the policy of the Federal Highway Administration and the State of Minnesota that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance (42 U.S.C. 2000d). Through expansion of the mandate for nondiscrimination in Title VI and through parallel legislation, the proscribed bases of discrimination include race, color, sex, national origin, age, and disability. In addition, the Title VI program has been extended to cover all programs, activities and services of an entity receiving Federal financial assistance, whether such programs and activities are Federally assisted or not. Even in the absence of prior discriminatory practice or usage, a recipient in administering a program or activity to which this part applies, is expected to take affirmative action to assure that no person is excluded from participation in, or is denied the benefits of, the program or activity on the grounds of race, color, national origin, sex, age, or disability. It is the responsibility of the City to carry out the above requirements.

3. Workers' Compensation. Any and all employees of the City or other persons while engaged in the performance of any work or services required or permitted by the City under this agreement will not be considered employees of MnDOT, and any and all claims that may arise under the Workers' Compensation Act of Minnesota on behalf of said employees, or other persons while so engaged, will in no way be the obligation or responsibility of MnDOT. The City will require proof of Workers' Compensation Insurance from any contractor and sub-contractor.
4. Utilities. The City will treat all public, private or cooperatively owned utility facilities which directly or indirectly serve the public and which occupy highway rights of way in conformance with 23 CFR 645 "Utilities" which is incorporated herein by reference.

G. AUDIT.

1. The City will comply with the Single Audit Act of 1984 and Office of Management and Budget (OMB) circular A-133, which are incorporated herein by reference.
2. As provided under Minnesota Statutes Section 16C.05, subdivision 5, all books, records, documents, and accounting procedures and practices of the City are subject to examination by the United States Government, MnDOT, and either the Legislative Auditor or the State Auditor as appropriate, for a minimum of seven years. The City will be responsible for any costs associated with the performance of the audit.

H. MAINTENANCE. The City assumes full responsibility for the operation and maintenance of any facility constructed or improved under this Agreement.

I. CLAIMS. The City acknowledges that MnDOT is acting only as the City's agent for acceptance and disbursement of federal funds, and not as a principal or co-principal with respect to the Project. The City will pay any and all lawful claims arising out of or incidental to the Project including, without limitation, claims related to contractor selection (including the solicitation, evaluation, and acceptance or rejection of bids or proposals), acts or omissions in performing the Project work, and any ultra vires acts. The City will indemnify, defend (to the extent permitted by the Minnesota Attorney General), and hold MnDOT harmless from any claims or costs arising out of or incidental to the Project(s), including reasonable attorney fees incurred by MnDOT. The City's indemnification obligation extends to any actions related to the certification of DBE participation, even if such actions are recommended by MnDOT.

J. Federal Funding Accountability and Transparency Act (FFATA). This Agreement requires the City to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The City is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the City provides information to the MnDOT as required.

1. Reporting of Total Compensation of the City's Executives.

- a. The City shall report the names and total compensation of each of its five most highly compensated executives for the City's preceding completed fiscal year, if in the City's preceding fiscal year it received:
- i. 80 percent or more of the City's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

Executive means officers, managing partners, or any other employees in management positions.

- b. Total compensation means the cash and noncash dollar value earned by the executive during the City's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
- i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings on deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

2. The City must report executive total compensation described above to the MnDOT by the end of the month during which this agreement is awarded.
3. The City will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this agreement. This number shall be provided to MnDOT on the plan review checklist submitted with the plans for each project. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>
4. The City's failure to comply with the above requirements is a material breach of this agreement for which the MnDOT may terminate this agreement for cause. The MnDOT will not be obligated to pay any outstanding invoice received from the City unless and until the City is in full compliance with the above requirements.

II. DUTIES OF MnDOT.

A. ACCEPTANCE. MnDOT accepts designation as Agent of the City for the receipt and disbursement of federal funds and will act in accordance herewith.

B. PROJECT ACTIVITIES.

1. MnDOT will make the necessary requests to the FHWA for authorization to use federal funds for the Project(s), and for reimbursement of eligible costs pursuant to the terms of this agreement.
2. MnDOT will provide to the City copies of the required Federal-aid clauses to be included in the bid solicitation and will provide the required Federal-aid provisions to be included in the Proposal for Highway Construction.
3. MnDOT will review and certify the DBE participation and notify the City when certification is complete. If certification of DBE participation (or good faith efforts to achieve such participation) cannot be obtained, then City must decide whether to proceed with awarding the contract. Failure to obtain such certification will result in the project becoming ineligible for federal assistance, and the City must make up any shortfall.
4. MnDOT will provide the required labor postings.

C. PAYMENTS.

1. MnDOT will receive the federal funds to be paid by the FHWA for the Project(s), pursuant to Minnesota Statutes § 161.36, Subdivision 2.
2. MnDOT will reimburse the City, from said federal funds made available to each Project, for each partial payment request, subject to the availability and limits of those funds.
3. Upon completion of the Project(s), MnDOT will perform a final inspection and verify the federal and state eligibility of all the payment requests. If the Project is found to have been completed in accordance with the plans and

specifications, MnDOT will promptly release any remaining federal funds due the City for the Project(s).

4. In the event MnDOT does not obtain funding from the Minnesota Legislature or other funding source, or funding cannot be continued at a sufficient level to allow for the processing of the federal aid reimbursement requests, the City may continue the work with local funds only, until such time as MnDOT is able to process the federal aid reimbursement requests.
- D. AUTHORITY. MnDOT may withhold federal funds, where MnDOT or the FHWA determines that the Project(s) was not completed in compliance with federal requirements.
- E. INSPECTION. MnDOT, the FHWA, or duly authorized representatives of the state and federal government will have the right to audit, evaluate and monitor the work performed under this agreement. The City will make available all books, records, and documents pertaining to the work hereunder, for a minimum of seven years following the closing of the construction contract.
- III. TORT LIABILITY. Each party is responsible for its own acts and omissions and the results thereof to the extent authorized by law and will not be responsible for the acts and omissions of any others and the results thereof. The Minnesota Tort Claims Act, Minnesota Statutes Section 3.736, governs MnDOT liability.
- IV. ASSIGNMENT. Neither party will assign or transfer any rights or obligations under this agreement without prior written approval of the other party.
- V. AMENDMENTS. Any amendments/supplements to this Agreement will be in writing and executed by the same parties who executed the original agreement, or their successors in office.
- VI. AGREEMENT EFFECTIVE DATE. This agreement is effective upon execution by the appropriate State officials pursuant to Minnesota Statutes Section 16C.05.
- VII. CANCELLATION. This agreement may be canceled by the City or MnDOT at any time, with or without cause, upon ninety (90) days written notice to the other party. Such termination will not remove any unfulfilled financial obligations of the City as set forth in this Agreement. In the event of such a cancellation the City will be entitled to reimbursement for MnDOT-approved federally eligible expenses incurred for work satisfactorily performed on the Project to the date of cancellation subject to the terms of this agreement.
- VIII. DATA PRACTICES ACT. The parties will comply with the provisions of the Minnesota Government Data Practices Act (Minnesota Statutes chapter 13) as it applies to all data gathered, collected, created, or disseminated related to this Agreement.

Remainder of this page left intentionally blank

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed intending to be bound thereby.

CITY OF SHOREVIEW

City certifies that the appropriate person(s) have executed the contract on behalf of the City as required by applicable articles, bylaws, resolutions or ordinances

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

2. DEPARTMENT OF TRANSPORTATION

By: _____

Title: Director
State Aid for Local Transportation

Date: _____

3. COMMISSIONER OF ADMINISTRATION

By: _____

Date: _____

EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF SHOREVIEW, MINNESOTA

HELD DECEMBER 5, 2011

* * * * *

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota was duly called and held at the Shoreview City Hall in said City on December 5, 2011, at 7:00 p.m. The following members were present:

and the following members were absent:

Member introduced the following resolution and moved its adoption.

RESOLUTION NO. 11-86

RESOLUTION AUTHORIZING EXECUTION OF
MN/DOT AGENCY AGREEMENT NO. 99925
DELEGATED CONTRACT PROCESS

WHEREAS, PURSUANT TO Minnesota Statutes Section 161.36, the City of Shoreview desires the Commissioner of Transportation be appointed as agent of the City of Shoreview, to accept as its agent, federal aid funds which may be made available for eligible transportation related projects.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Shoreview, Minnesota, as follows:

The Mayor and City Manager are hereby authorized and directed on behalf of the City of Shoreview to execute and enter into an Agreement with the Commissioner of Transportation prescribing the terms and conditions of said federal aid participation as set forth and contained in MN/DOT Agency Agreement No. 99925, a copy of which said agreement was before the City Council and which is made a part hereof by reference.

The motion for the adoption of the foregoing resolution was duly seconded by Member and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted this 5th day of December, 2011.

STATE OF MINNESOTA)
)
COUNTY OF RAMSEY)
)
CITY OF SHOREVIEW)

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City Council held on the 5th day of December, 2011 with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to approving the MN/DOT Agreement No. 99925.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 6th day of December, 2011.

Terry C. Schwerm
City Manager

SEAL

PROPOSED MOTION

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To adopt resolution No. 11-91 approving the 2012 curb-side recycling budget, City recycling fee, and authorizing request of SCORE funding allocation.

ROLL CALL:	AYES	NAYS
HUFFMAN	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

REGULAR COUNCIL MEETING
DECEMBER 5, 2011

TO: MAYOR, CITY COUNCIL, CITY MANAGER

FROM: TOM WESOLOWSKI
ASSISTANT CITY ENGINEER

DATE: NOVEMBER 29, 2011

SUBJECT: CITY RECYCLING BUDGET, FEE, AND SCORE GRANT
APPROVAL

INTRODUCTION

In accordance with the Joint Powers Agreement between the City of Shoreview and Ramsey County, it is necessary to prepare the annual curbside recycling budget and submit it to the County in early December, 2011. The budget is necessary for determining the City recycling fee, which is included as part of the 2012 Ramsey County Property Tax statements.

In addition to approving the budget and establishing the City recycling fee, the application for SCORE grant allocations must be completed and approved. SCORE grant monies are used in conjunction with City recycling fee revenues to fund the City's recycling program. A copy of the SCORE grant application is attached at the end of this report.

BACKGROUND

Pursuant to Minnesota Statutes, Sections 473.811 and 400.08, the County has authority to collect charges for solid waste management services. Beginning in 1988, municipalities entered into an agreement with the County for the collection of monies to fund residential curbside recycling programs. Initially, the fee appeared on property tax statements as a Waste Management Fee. In 1991, the City entered a Joint Powers Agreement with the Ramsey County Department of Public Health. The agreement provides the City access to the County's Waste Management Service charge, which is the primary source of funding for the City's curbside recycling program. The Council approved renewal of the Joint Powers Agreement at its June 7, 1999 regular Council Meeting. The term of the agreement runs through June of 2014.

The following procedures are followed under the Joint Powers Agreement:

1. The City determines the residential count for single family, condominium, and apartment units, and provides the information to the Ramsey County Department of Property Taxation.
2. The City then determines its curbside recycling budget, calculates the per parcel service charge, and reports the charge to the Department of Property Taxation.
3. The Department of Property Taxation places the charge on the property tax statements as a separate line item identified as CITY RECYCLING FEE. Funds are collected and distributed to the City on tax settlement dates.

BUDGET CONSIDERATIONS

The recycling budget for 2012 is proposed in the amount of \$489,474. Costs associated with the recycling budget include contractual fees for curb side recycling, spring and fall cleanup events, and City staff time. A copy of the budget is attached at the end of this report. Important points of consideration within the overall budget proposal are:

- Approval of SCORE grant application and allocation of funds in the amount of \$51,883, which is used in conjunction with the recycling fee to fund the recycling program.
- Continuation of funding for the spring and fall community cleanup day events held in cooperation with the City of Arden Hills.
- Continuation of the single-sort curbside recycling opportunities for all community residents.
- Continuation of recycling opportunities within City owned and operated facilities such as Community Center, Maintenance Center, and City Hall.

The proposed 2012 recycling budget includes a \$2.50 increase (6.7%) in the City recycling fee. The higher fee is mainly due to an increase in the household rate charge by the City's recycling contractor and to increase the balance of the City's recycling fund. As per the contract the City's recycling contractor is allowed to raise the household rate charge each year by the annual Consumer Price Index (CPI) for the "Midwest Urban" region or 3%, whichever is lower. The County makes a payment to the City every six months for the recycling fee it collects on the tax statements. Currently the balance in the City's recycling fund is not large enough to cover expenses for the first six months of the year and a negative fund balance is established. Projected increases in the recycling fee for 2012 and the following four years are desired to slowly build a fund balance large enough to cover the expenses for the first half of the year by 2016.

RECOMMENDATION

It is recommended that the City Council approve the proposed 2012 curbside recycling budget in the amount of \$489,474 and a recycling fee of \$40.00 that will be collected on 2012 residential property tax statements as per the Joint Powers Agreement between the City and Ramsey County.

It is further recommended that the City Council approve the SCORE grant application requesting the allocation of \$51,883 to be used in conjunction with the City recycling fee for program funding.

Recycling Fund	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Actual	Actual	Actual	Estimate	Proposed	Projected	Projected	Projected	Projected
Revenue									
Intergovernmental									
SCORE grant	\$ 53,490	\$ 53,359	\$ 54,023	\$ 53,240	\$ 54,000	\$ 55,000	\$ 56,000	\$ 57,000	\$ 58,000
Other local governments	3,892	6,189	5,118	17,500	15,000	15,000	15,000	15,000	15,000
Charges for Services									
Recycling charges	339,332	360,382	375,660	402,000	429,000	450,000	431,000	433,000	435,000
Cleanup day charges	11,353	12,715	10,888	22,270	22,300	23,300	64,300	84,300	104,300
Interest Earnings	360	269	62	-	-	-	-	-	-
Total Revenue	408,427	432,914	445,751	495,010	520,300	543,300	566,300	589,300	612,300
Expense									
Public Works									
Personal Services	29,626	29,828	30,207	15,737	27,004	28,610	30,217	32,328	34,063
Supplies	990	3,530	-	1,200	1,200	1,200	1,200	1,200	1,200
Contractual Services	372,803	390,185	399,053	444,610	461,270	474,430	491,330	507,340	522,830
Total Expense	403,419	423,543	429,260	461,547	489,474	504,240	522,747	540,868	558,093
Other Sources (Uses)									
Net Change	5,008	9,371	16,491	33,463	30,826	39,060	43,553	48,432	54,207
Fund equity, beginning	28,801	33,809	43,180	59,671	93,134	123,960	163,020	206,573	255,005
Fund equity, ending	\$ 33,809	\$ 43,180	\$ 59,671	\$ 93,134	\$ 123,960	\$ 163,020	\$ 206,573	\$ 255,005	\$ 309,212
Fund equity percent of expense	8.0%	10.1%	12.9%	19.0%	24.6%	31.2%	38.2%	45.7%	53.7%
Months of operating coverage	1.0	1.2	1.6	2.3	3.0	3.7	4.6	5.5	6.4
Expense percent change	5.5%	5.0%	1.3%	7.5%	6.1%	3.0%	3.7%	3.5%	3.2%
Average annual percent change				4.5%					3.9%
Annual charge per parcel/unit	\$ 31.50	\$ 33.50	\$ 35.00	\$ 37.50	\$ 40.00	\$ 42.00	\$ 44.00	\$ 46.00	\$ 48.00
Change in rate	\$ 0.80	\$ 2.00	\$ 1.50	\$ 2.50	\$ 2.50	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Percent change in rate	2.6%	6.3%	4.5%	7.1%	6.7%	5.0%	4.8%	4.5%	4.3%
Average annual percent change				4.0%					5.1%
Cost per collection	\$ 1.21	\$ 1.29	\$ 1.35	\$ 1.44	\$ 1.54	\$ 1.62	\$ 1.69	\$ 1.77	\$ 1.85
Participation rate	94.0%	95.0%	95.0%						
Tons recycled	3,385	3,204	3,342						
Number of parcels/units	10,772	10,758	10,719	10,719	10,720	10,720	10,720	10,720	10,720

SAINT PAUL - RAMSEY COUNTY DEPARTMENT OF PUBLIC HEALTH
ENVIRONMENTAL HEALTH SECTION

2012 SCORE FUNDING GRANT APPLICATION

CITY/TOWNSHIP: City of Shoreview
CONTACT PERSON: Jessica Schaum
ADDRESS: 4600 Victoria Street N., Shoreview, MN 55126
PHONE: 651-490-4665
FAX: 651-490-4696
EMAIL: jschaum@shoreviewmn.gov

SCORE GRANT REQUEST

1. What measurable goals does your municipality have for waste reduction and recycling activities in 2012? To continue to increase recycling tonnage by educating residents and working with the City's recycling contractor to increase the types of materials that can be recycled.

2. Describe the activities a SCORE grant would be used for in your municipality and how these funds will enhance your existing waste reduction and recycling programs. The entire SCORE grant (\$51,883.00) will be used to defray the contractual costs associated with collecting and processing recyclables.

PROPOSED SCORE BUDGET—SCORE EXPENSES ONLY

ADMINISTRATION Total: \$ _____
Please detail activities and expenses:

PROMOTION ACTIVITIES Total: \$ _____
Please detail activities and expenses:

EQUIPMENT Total: \$ _____
Please detail activities and expenses:

COLLECTION OF RECYCLABLES Total: \$ 51,883.00
Please detail activities and expenses:

TOTAL SCORE GRANT Requested \$ 51,883.00

RECYCLING BUDGET

3. **Attach a copy of your 2012 municipal budget for all recycling activities, including all funding sources.** 2011 recycling budget is attached.

PUBLIC ENTITIES LAW COMPLIANCE

4. **Attach a copy of the disclosure from your hauler(s).** Discloser is attached.
or a copy of the relevant portion of any contracts with haulers, that specifies the facility at which waste collected from municipal facilities is deposited. Minn. Stat. § 115A.9302 requires haulers to disclose this information to customers annually.

RESOLUTION

5. **Attach a resolution from your governing body requesting the SCORE funding allocation,** Motion from City Council approving the SCORE grant application is attached.

Jessica Schaum

NAME OF PERSON AUTHORIZED TO SUBMIT GRANT

SIGNATURE (electronic signature is acceptable)

Environmental Officer

TITLE

DATE

Applications will be considered complete when items 1 – 5 above are submitted and a signature is on file.

Please return the completed grant application form by **DECEMBER 30, 2011.**

SCORE Program
Saint Paul – Ramsey County Department of Public Health
Environmental Health Section
2785 White Bear Avenue N., Suite 350
Maplewood, MN 55109-1320

**EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF SHOREVIEW, MINNESOTA
HELD DECEMBER 5, 2011**

* * * * *
*

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota, was duly called and held at the Shoreview City Hall in said City on December 5, 2011, at 7:00 p.m. The following members were present:

and the following members were absent:

Member introduced the following resolution and moved its adoption.

RESOLUTION NO. 11-91

**APPROVING 2012 CURB-SIDE RECYCLING BUDGET,
CITY RECYCLING FEE
AND
AUTHORIZE REQUEST OF SCORE FUNDING ALLOCATION**

WHEREAS, the City of Shoreview has an established curb-side recycling program, City Staff has prepared a proposed budget for the 2012 curb-side recycling program, and has presented the proposed budget to the City Council for approval, and

WHEREAS, City staff has completed the 2011 SCORE Funding Grant Application.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SHOREVIEW, MINNESOTA, THAT:

1. The 2012 curb-side recycling budget is hereby approved, indicating estimated revenues of \$520,300 and estimated expenses of \$489,474.
2. Revenue required to finance the curb-side recycling program be collected through the previously approved Joint Powers Agreement with Ramsey County to include a City Recycling Fee of \$40.00 on the 2012 residential property tax statement.
3. City staff is authorized to request the SCORE funding allocation from Ramsey County.

The motion for the adoption of the foregoing resolution was duly seconded by Member and upon vote being taken thereon, the following voted in favor thereof:

; and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted this 5th day of December 2011.

STATE OF MINNESOTA)
)
COUNTY OF RAMSEY)
)
CITY OF SHOREVIEW)

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City Council held on the 5th day of December 2011, with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to approving the 2012 curb-side recycling budget and fee and authorize request of SCORE funding allocation.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 6th day of December 2011.

Terry Schwerm
City Manager

SEAL

PROPOSED MOTION

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

to approve the request from Pinnacle Athletic Club to conduct a raffle.

ROLL CALL:	AYES _____	NAYS _____
HUFFMAN	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

Regular City Council Meeting
December 5, 2011

TO: MAYOR AND COUNCILMEMBERS

FROM: TERRI HOFFARD
DEPUTY CLERK

DATE: NOVEMBER 30, 2011

SUBJECT: REQUEST TO CONDUCT A RAFFLE—PINNACLE ATHLETIC CLUB

Attached is an application from Pinnacle Athletic club to conduct a raffle for the Pinnacle Wrestling School, located at 503 County Road E in Shoreview. The event is a fund-raiser for the Pinnacle Wrestling School. The mission of Pinnacle Wrestling is to implement the highest quality of training, technique, and work ethic into each individual wrestler. The raffle will allow the coaches and wrestlers to attend national competitions. Tickets will be sold by members of the wrestling school and the drawing will be held before the end of the year. All prizes are donated and include such items as an iPad.

All gambling requests need to be approved by the City prior to approval by the Minnesota Gambling Control Board.

It is recommended that the City Council approve this request from the Pinnacle Athletic Club to conduct a raffle.

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

Application fee

If application postmarked or received:	
less than 30 days before the event	more than 30 days before the event
\$100	\$50

ORGANIZATION INFORMATION

Check# _____ \$ _____

Organization name

Pinnacle Athletic Club

Previous gambling permit number

Minnesota tax ID number, if any

Federal employer ID number, if any

27-2524156

Type of nonprofit organization. Check one.☐

Fraternal

☐

Religious

☐

Veterans

☒

Other nonprofit organization

Mailing address

503 County Rd. E West

City

Shoreview

State

MN

Zip Code

55126

County

Ramsey

Name of chief executive officer (CEO)

Nina Mckee

Daytime phone number

320-761-5365

Email address

ninam@cescamps.com

Attach a copy of ONE of the following for proof of nonprofit status.

Do not attach a sales tax exempt status or federal employer ID number as they are not proof of nonprofit status.

☐**Nonprofit Articles of Incorporation OR a current Certificate of Good Standing .**

Don't have a copy? This certificate must be obtained each year from:

Secretary of State, Business Services Div., 180 State Office Building, St. Paul, MN 55155

Phone: 651-296-2803

☒**IRS income tax exemption [501(c)] letter in your organization's name.**

Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer

contact the IRS at 877-829-5500.

☐**IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**If your organization falls under a parent organization, attach copies of both of the following:

- IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and
- the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted. For raffles, list the site where the drawing will take place.

Pinnacle Wrestling School

Address (do not use PO box)

503 County Rd. E West

City or township

Shoreview

Zip Code

55126

County

USA

Date(s) of activity (for raffles, indicate the date of the drawing)

Check the box or boxes that indicate the type of gambling activity your organization will conduct:

Bingo*

☒

Raffles

Paddlewheels*

Pull-Tabs*

Tipboards*

* **Gambling equipment** for pull-tabs, bingo paper, tipboards, and paddlewheels must be obtained from a distributor licensed by the Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo.

To find a licensed distributor, go to www.gcb.state.mn.us and click on List of Licensed Distributors, or call 651-639-4000.

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT	
<p>If the gambling premises is within city limits, a city official must check the action that the city is taking on this application and sign the application.</p> <p><input type="checkbox"/> The application is acknowledged with no waiting period.</p> <p><input type="checkbox"/> The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).</p> <p><input type="checkbox"/> The application is denied.</p> <p>Print city name _____</p> <p><i>On behalf of the city, I acknowledge this application.</i> Signature of city personnel receiving application _____</p> <hr/> <p>Title _____ Date _____</p>	<p>If the gambling premises is located in a township, a county official must check the action that the county is taking on this application and sign the application. A township official is not required to sign the application.</p> <p><input type="checkbox"/> The application is acknowledged with no waiting period.</p> <p><input type="checkbox"/> The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days.</p> <p><input type="checkbox"/> The application is denied.</p> <p>Print county name _____</p> <p><i>On behalf of the county, I acknowledge this application.</i> Signature of county personnel receiving application _____</p> <hr/> <p>Title _____ Date _____</p> <p>(Optional) TOWNSHIP: <i>On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. [A township has no statutory authority to approve or deny an application [Minnesota Statute 349.166]]</i></p> <p>Print township name _____</p> <p>Signature of township official acknowledging application _____</p> <hr/> <p>Title _____ Date _____</p>
<p>CHIEF EXECUTIVE OFFICER'S SIGNATURE Print form and have CEO sign</p> <p><i>The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the date of our gambling activity.</i></p> <p>Chief executive officer's signature <u><i>Tim C. McKee</i></u> Date <u><i>11-10-11</i></u></p>	
<p>Complete a separate application for each gambling event:</p> <ul style="list-style-type: none"> one day of gambling activity two or more consecutive days of gambling activity each day a raffle drawing is held <p>Send application with:</p> <ul style="list-style-type: none"> a copy of your proof of nonprofit status, and application fee for each event <p>Make check payable to "State of Minnesota."</p> <p>To: Gambling Control Board 1711 West County Road B, Suite 300 South Roseville, MN 55113</p>	<p>Financial report and recordkeeping required</p> <p>A financial report form and instructions will be sent with your permit, or use the online fill-in form available at www.gcb.state.mn.us. Within 30 days of the activity date, complete and return the financial report form to the Gambling Control Board.</p> <p>Questions? Call the Licensing Section of the Gambling Control Board at 651-639-4000.</p>

This form will be made available in alternative format (i.e. large print, Braille) upon request.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application.

Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public.

Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

Reset Form

PROPOSED MOTION

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To approve lease agreement with Push Pedal Pull and One Source Fitness through North Texas Credit Company for cardio fitness equipment for the Community Center.

ROLL CALL: AYES _____ NAYS _____

HUFFMAN _____

QUIGLEY _____

WICKSTROM _____

WITHHART _____

MARTIN _____

Regular Council Meeting
December 5, 2011

TO: MAYOR AND COUNCILMEMBERS

FROM: MICHELLE MAJKOZAK
GUEST SERVICES MANAGER

DATE: DECEMBER 5, 2011

SUBJECT: AUTHORIZATION TO APPROVE FITNESS EQUIPMENT LEASE AGREEMENT

INTRODUCTION

The City Council is being asked to approve a lease agreement for cardio equipment for the Fitness Center. The lease agreement is with One Source Fitness and Push Pedal Pull through North Texas Credit Company.

BACKGROUND

Beginning in 2007, the City has leased various pieces of fitness equipment such as treadmills, cross training and elliptical machines. At that time, the City changed its previous practice of purchasing the fitness equipment to a lease arrangement. The staff continues to believe that leasing the equipment is a better option for the following reasons:

- Fitness equipment is kept up to date since it is replaced every 3 years under a lease arrangement.
- The Company is responsible for ongoing maintenance of the equipment and will repair or replace the equipment within 48 hours. This reduces the amount of down time for the fitness equipment, which is a benefit to our customers.
- The cost of the lease becomes part of the Community Center operating budget rather than an expenditure from the General Fixed Asset Revolving Fund.

The proposed lease agreement is for three Matrix Treadmills, two PreCor AMT Crosstrainers, and one PreCor Elliptical. The new fitness equipment is replacing similar equipment in the fitness center. The monthly cost of this lease is \$1,019 a month for a three year period, and is slightly lower than the current monthly lease payments. The total cost over the lease period will be \$36,684.

RECOMMENDATION

Based on the foregoing information, it is recommended that the City Council authorize the staff to enter into a 3-year lease agreements with Push Pedal Pull and One Source Fitness through North Texas Credit Company for cardio fitness equipment for the Community Center.

PROPOSED MOTION

MOVED BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To approve the Exclusive Alcoholic Beverage Provider Agreements with Jimmy's Food and Drink and Green Mill-Shoreview for 2012-2013.

ROLL CALL: AYES _____ NAYS _____

HUFFMAN	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

Regular Council Meeting
December 5, 2011

TO: MAYOR AND COUNCILMEMBERS

FROM: TERRY SCHWERM
CITY MANAGER

DATE: NOVEMBER 30, 2011

SUBJECT: APPROVAL OF AGREEMENTS—COMMUNITY CENTER EXCLUSIVE ALCOHOLIC BEVERAGE PROVIDERS

INTRODUCTION

The current agreements with Green Mill and Jimmy's Food and Drink for the provision of alcoholic beverage service for events at the Shoreview Community Center expire at the end of 2011. Council action is required to approve new two-year agreements for this service.

BACKGROUND

The City has had agreements for exclusive alcoholic beverage providers for the Community Center for several years. In 2009, the City prepared a Request for Proposal (RFP) seeking proposals from several area restaurants who had expressed interest in being the exclusive alcoholic beverage provider at the Community Center. Ultimately, the City selected Jimmy's Food and Drink from Vadnais Heights and the Green Mill from Shoreview as the exclusive alcoholic beverage providers. As part of the current agreements, the City receives a 30% commission on all beverage sales during events.

During the past two years, both Jimmy's and the Green Mill have provided quality service to customers who rent banquet facilities at the Community Center. The City's commission revenues have also increased substantially under these new agreements.

Staff again sent out a RFP for this service to four different establishments who have previously expressed interest in being considered the Community Center's exclusive alcohol beverage service provider. The City received proposals from Jimmy's Food and Drink, the Green Mill, and the Big Ten Supper Club Bar and Grill.

Based on our experience over the past two years, staff is recommending that we continue to utilize both Jimmy's and the Green Mill for this service. They have served our Community Center customers well and staff still believes it is important for the customer to have a choice when selecting who to use for this service. Both Jimmy's and the Green Mill have agreed to a commission rate of 30% as part of their proposal. The drink prices for the two providers are similar.

RECOMMENDATION

Based on the foregoing information, it is recommended that the Council approve the Exclusive Alcoholic Beverage Provider agreements with Jimmy's Food and Drink and Green Mill-Shoreview for 2012-2013.



TERMS AND CONDITIONS FOR ALCOHOL BEVERAGE SERVICES

THIS AGREEMENT made and entered into this ____ day, _____ 2012, by and between the CITY OF SHOREVIEW, a municipal corporation ("CITY") and Jimmys ("J").

OVERVIEW AND PURPOSE

1. The CITY owns and operates the Shoreview Community Center (SVCC) with banquet and meeting facilities.
2. The CITY desires to have J as one of the exclusive Alcohol Beverage Providers at the SVCC. For purposes of this agreement, a catered event is defined as an event where a contract for services is executed between J and a customer renting banquet or meeting room space at the SVCC.

SECTION 2- DUTIES AND RESPONSIBILITIES OF ALCOHOL PROVIDER

1. J agrees to obtain, maintain and to annually provide the CITY with a copy of the appropriate licensure by the State of Minnesota and the City of Shoreview during the term of this agreement. J agrees to meet all local/state/federal health regulations, codes, rules and laws concerning alcoholic beverage service. J agrees to meet the insurance requirements identified in the RFP.
2. J is an independent contractor and accepts full and exclusive liability for all applicable social security, unemployment, workers' compensation, contributions of insurance, and all employee benefits.
3. J agrees to and is responsible for the recruitment, training, employment, performance, and compensation of its staff.
4. J employees will maintain a consistently high level of service and appearance (uniformed) to meet the demands of the SVCC customers at each and every catered event.
5. J will provide all alcoholic beverages necessary for a catered event and will work exclusively with the designated caterers for all events held at the SVCC, unless otherwise directed by the SVCC General Manager.
6. J agrees to provide a price list for its alcoholic beverages. The CITY will agree upon the prices. The CITY must approve Price changes before they are represented to SVCC customers and price changes will be limited to one adjustment per year.
7. J must call the SVCC 48 hours prior to any scheduled event with specific set-up requirements for that event.

8. J will provide all alcohol beverage equipment not currently located in the SVCC; retain ownership of all additional equipment purchased or added to the bar or storage closet; and be solely responsible for all J property at the SVCC including lost, damaged, or stolen items.
9. J is responsible for the following services and amenities at all wedding/banquet functions held in the SVCC:
 - Beverages, bartenders, related staff and equipment for banquets, buffets, meetings and special events held in the SVCC.
 - All glassware and plastic ware for beverage service at the SVCC.
 - Provide sufficient daytime staff when necessary.
 - Accommodate City sponsored events, if required.
 - Work cooperatively with food service caterer(s) at events.
10. J will keep bar/storage areas clean and sanitary and will assist with cleaning of other SVCC spaces used for catered events if applicable.
11. All beverage equipment must be removed from the SVCC premises within one (1) hour of the conclusion of the event. This excludes product and supplies that will be stored in a designated secure location identified by SVCC Guest Services Manager.
12. J agrees to become familiar with the SVCC facility use policies (Exhibit A) contained within the renter's agreement.
13. J may not post advertising signage at any events unless they are a recognized sponsor of that event, and upon approval of the Guest Services Manager.
14. J agrees to be available to SVCC customer's when at least 30 days notice is given and to accommodate groups on shorter notice whenever possible.
15. J agrees to participate in the marketing of the SVCC and to include SVCC information on their website with a link if available.

SECTION 3 - CITY'S DUTIES AND RESPONSIBILITIES

1. Provide rental facilities and portable bars as they exist at the SVCC.
2. Schedule and update bookings in the SVCC Rental Spaces.
3. Set up tables and chairs for indoor SVCC functions.
4. Work with J's representatives and customers to determine set up and details surrounding each catered event.
5. Payment for utilities and overhead costs.
6. Provide custodial services for set-up and clearing of rental spaces and SVCC public spaces.
7. Provide cleaning supplies to maintain storage area and portable bar.
8. Provide Ice within the capability of existing ice machine.
9. Provide facility access and parking to J personnel.

SECTION 4 - JOINT RESPONSIBILITIES

The CITY and GM are jointly responsible for the following:

1. At the time a reservation for a catered event is made, a J representative will document the details of services required and charges for services. SVCC Rental Coordinator will document rental agreements;
2. The CITY agrees to allow J to provide Alcohol Beverage service for food catered events held at the SVCC. Exceptions are events and clients exempted by the CITY, as determined by the SVCC Guest Services Manager.
3. This agreement is effective January 1, 2012 through December 31 2013. If the agreement is not renewed, J will remain responsible for providing services to rentals booked at SVCC for which they had committed to at the time of the agreement termination.
4. J and the SVCC Guest Services Manager shall work to positively resolve any service/performance issues that may occur.
5. The SVCC reserves the right to terminate the contract, with a 30 day written notification, if there are service, performance, health or safety issues that impact the success of events at the SVCC. At the discretion of the SVCC Guest Services Manager, J will remain responsible for providing service to the rentals booked at the SVCC for which they had committed at the time of the written notification.

SECTION 5 - FINANCIAL ARRANGEMENTS

The CITY's percentage of the revenues generated through beverage services provided by J will be based on the following formulas:

1. J agrees to pay the CITY 30% of total beverage receipts, excluding tax and service charges.
2. J agrees to follow accounting procedures as listed below:
 - A. The collection of deposits and fees for all Alcohol Beverage charges are the sole responsibility of J. Non-payment by client to J for services will not negate payment to the CITY.
 - B. J agrees to pay CITY the commission revenues based on the final billing for each event. Event documentation must accompany payment. For cash bar, J must provide a documented report upon conclusion of an event to SVCC Guest Services Manager that reports total sales for the event.
 - C. Payments will be made on a weekly basis. All necessary paperwork and payment for events will be due to the CITY the week after the event. Late payments will be charged a \$50 late fee, and accrue an additional \$50 for every 30 days it is late.
 - D. The CITY reserves the right to inspect all financial records for an event. J must provide documentation within two business days upon request.
 - E. The CITY will collect all fees from the customer that apply to room rental, damage deposit, equipment rental, or other miscellaneous facility rental fees.

SECTION 6 - INTEREST OF J

J promises that it has no interest, and will not acquire any interest, that would conflict in any manner with the performance of services requested by this Agreement.

SECTION 7 - NON-ASSIGNABILITY

J recognizes that they shall not have the right to transfer, assign or subcontract this agreement.

SECTION 8 - INDEMNITY

J assumes all risks of accident or damage to its property, employees and property of its employees as a result of the use of the J equipment. J agrees to defend, indemnify and hold harmless the CITY from damages caused by the action of J, its representatives, or employees.

SECTION 9 - INSURANCE

- A. Prior to performance of catering services under this Agreement, J agrees to file with the SVCC Guest Services Manager a certificate of insurance that complies with the requirements of State law (Section 340A.409) and City Code (Section 801).
- B. The CITY will be named as additional insured and the certificate of insurance will state this.
- C. Cancellation or expiration of an insurance policy or certificate of insurance required in this section and failure to provide another insurance policy or certificate of such insurance will be grounds for automatic dismissal as a SVCC Alcohol Provider.

SECTION 10 - MISCELLANEOUS

The CITY and J agree to execute, acknowledge, and deliver all contracts, agreements, and other documents and take all actions necessary or desirable to comply with the provisions of this Agreement. Any change to or modification of this Agreement must be in writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement that day and year first above written.

CITY of Shoreview

Jimmy's Food and Drink
1132 East County Road E
Vadnais Heights, MN 55110

Print Name

Print Name

Signature

Signature

Date

Date

Position

Position



TERMS AND CONDITIONS FOR ALCOHOL BEVERAGE SERVICES

THIS AGREEMENT made and entered into this ____ day, _____ 2012, by and between the CITY OF SHOREVIEW, a municipal corporation ("CITY") and the Green Mill ("GM").

OVERVIEW AND PURPOSE

1. The CITY owns and operates the Shoreview Community Center (SVCC) with banquet and meeting facilities.
2. The CITY desires to have GM as one of the exclusive Alcohol Beverage Provider at the SVCC. For purposes of this agreement, a catered event is defined as an event where a contract for services is executed between GM and a customer renting banquet or meeting room space at the SVCC.

SECTION 2- DUTIES AND RESPONSIBILITIES OF ALCOHOL PROVIDER

1. GM agrees to obtain, maintain and to annually provide the CITY with a copy of the appropriate licensure by the State of Minnesota and the City of Shoreview during the term of this agreement. GM agrees to meet all local/state/federal health regulations, codes, rules and laws concerning alcoholic beverage service. GM agrees to meet the insurance requirements identified in the RFP.
2. GM is an independent contractor and accepts full and exclusive liability for all applicable social security, unemployment, workers' compensation, contributions of insurance, and all employee benefits.
3. GM agrees to and is responsible for the recruitment, training, employment, performance, and compensation of its staff.
4. GM's employees will maintain a consistently high level of service and appearance (uniformed) to meet the demands of the SVCC customers at each and every catered event.
5. GM will provide all alcoholic beverages necessary for a catered event and will work with the selected caterers for all events held at the SVCC, unless otherwise directed by the SVCC Guest Services Manager.
6. GM agrees to provide a price list for its alcoholic beverages. The CITY will agree upon the prices. The CITY must approve Price changes before they are represented to SVCC customers and price changes will be limited to one adjustment per year.
7. GM must call the SVCC 48 hours prior to any scheduled event with specific set-up requirements for that event.

8. GM will provide all alcohol beverage equipment not currently located in the SVCC; retain ownership of all additional equipment purchased or added to the bar or storage closet; and be solely responsible for all GM's property at the SVCC including lost, damaged, or stolen items.
9. GM is responsible for the following services and amenities at all wedding/banquet functions held in the SVCC:
 - Beverages, bartenders, related staff and equipment for banquets, buffets, meetings and special events held in the SVCC.
 - All glassware and plastic ware for beverage service at the SVCC.
 - Provide sufficient daytime staff when necessary.
 - Accommodate City sponsored events, if required.
 - Work cooperatively with food service caterer(s) at events.
10. GM will keep bar/storage areas clean and sanitary and will assist with cleaning of other SVCC spaces used for catered events if applicable.
11. All beverage equipment must be removed from the SVCC premises within one (1) hour of the conclusion of the event. This excludes product and supplies that will be stored in a designated secure location identified by SVCC Guest Services Manager.
12. GM agrees to become familiar with the SVCC facility use policies (Exhibit A) contained within the renter's agreement.
13. GM may not post advertising signage at any events unless they are a recognized sponsor of that event, and upon approval of the Guest Services Manager.
14. GM agrees to be available to SVCC customer's when at least 30 days notice is given and to accommodate groups on shorter notice whenever possible.
15. GM agrees to participate in the marketing of the SVCC and to include SVCC information on their website with a link if available.

SECTION 3 - CITY'S DUTIES AND RESPONSIBILITIES

1. Provide rental facilities and portable bars as they exist at the SVCC.
2. Schedule and update bookings in the SVCC Rental Spaces.
3. Set up tables and chairs for indoor SVCC functions.
4. Work with the GM's representatives and customers to determine set up and details surrounding each catered event.
5. Payment for utilities and overhead costs.
6. Provide custodial services for set-up and clearing of rental spaces and SVCC public spaces.
7. Provide cleaning supplies to maintain storage area and portable bar.
8. Provide Ice within the capability of existing ice machine.
9. Provide facility access and parking to GM personnel.

SECTION 4 - JOINT RESPONSIBILITIES

The CITY and GM are jointly responsible for the following:

1. At the time a reservation for a catered event is made, a GM representative will document the details of services required and charges for services. SVCC Rental Coordinator will document rental agreements;
2. The CITY agrees to allow GM to provide Alcohol Beverage service for food catered events held at the SVCC. Exceptions are events and clients exempted by the CITY, as determined by the SVCC Guest Services Manager.
3. This agreement is effective January 1, 2012 through December 31 2013. If the agreement is not renewed, GM will remain responsible for providing services to rentals booked at SVCC for which they had committed to at the time of the agreement termination.
4. GM and the SVCC Guest Services Manager shall work to positively resolve any service/performance issues that may occur.
5. The SVCC reserves the right to terminate the contract, with a 30 day written notification, if there are service, performance, health or safety issues that impact the success of events at the SVCC. At the discretion of the SVCC Guest Services Manager, GM will remain responsible for providing service to the rentals booked at the SVCC for which they had committed at the time of the written notification.

SECTION 5 - FINANCIAL ARRANGEMENTS

The CITY's percentage of the revenues generated through beverage services provided by GM will be based on the following formulas:

1. GM agrees to pay the CITY 33% of total beverage receipts, excluding tax and service charges.
2. GM agrees to follow accounting procedures as listed below:
 - A. The collection of deposits and fees for all Alcohol Beverage charges are the sole responsibility of GM. Non-payment by client to GM for services will not negate payment to the CITY.
 - B. GM agrees to pay CITY the commission revenues based on the final billing for each event. Event documentation must accompany payment. For cash bar, GM must provide a documented report upon conclusion of an event to SVCC Guest Services Manager that reports total sales for the event.
 - C. Payments will be made on a weekly basis. All necessary paperwork and payment for events will be due to the CITY the week after the event. Late payments will be charged a \$50 late fee, and accrue an additional \$50 for every 30 days it is late.
 - D. The CITY reserves the right to inspect all financial records for an event. GM must provide documentation within two business days upon request.
 - E. The CITY will collect all fees from the customer that apply to room rental, damage deposit, equipment rental, or other miscellaneous facility rental fees.

SECTION 6 - INTEREST OF GM

GM promises that it has no interest, and will not acquire any interest, that would conflict in any manner with the performance of services requested by this Agreement.

SECTION 7 - NON-ASSIGNABILITY

GM recognizes that they shall not have the right to transfer, assign or subcontract this agreement.

SECTION 8 - INDEMNITY

GM assumes all risks of accident or damage to its property, employees and property of its employees as a result of the use of the GM equipment. GM agrees to defend, indemnify and hold harmless the CITY from damages caused by the action of GM, its representatives, or employees.

SECTION 9 - INSURANCE

- A. Prior to performance of catering services under this Agreement, GM agrees to file with the SVCC Guests Services Manager a certificate of insurance that complies with the requirements of State law (Section 340A.409) and City Code (Section 801).
- B. The CITY will be named as additional insured and the certificate of insurance will state this.
- C. Cancellation or expiration of an insurance policy or certificate of insurance required in this section and failure to provide another insurance policy or certificate of such insurance will be grounds for automatic dismissal as a SVCC Alcohol Provider.

SECTION 10 - MISCELLANEOUS

The CITY and GM agree to execute, acknowledge, and deliver all contracts, agreements, and other documents and take all actions necessary or desirable to comply with the provisions of this Agreement. Any change to or modification of this Agreement must be in writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement that day and year first above written.

CITY of Shoreview

Green Mill
Shoreview MN, 55126

Print Name

Print Name

Signature

Signature

Date

Date

Position

Position

Budget Hearing Agenda

Published date and time:
December 5, 2011 at 7:00 p.m.

1. Open public hearing at _____ (time)
2. Staff presentation
3. Public testimony and questions (citizen comments)
4. Council comments
5. Announce - Final budget adoption will occur at the regular city council meeting on December 19, 2011 at 7:00 p.m.
6. Motion to close the public hearing by Council member _____,
Seconded by Council member _____ at _____ (time).

Roll Call	Ayes _____	Nays _____
Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Regular Council Meeting
December 5, 2011

TO: Mayor and City Council

FROM: Jeanne A. Haapala, Finance Director

DATE: December 1, 2011

RE: Budget Hearing

The City's hearing on the proposed 2012-2013 budgets and the 2012 tax levy is scheduled for 7:00 p.m. on December 5. The 2012-2013 Budget Summary booklet will serve as the primary handout for the hearing. This informational document has been available at city hall and on the City's website since Wednesday, December 1.

In addition, the following handouts are available at city hall and will be provided at the budget hearing. A copy of each is attached to this report.

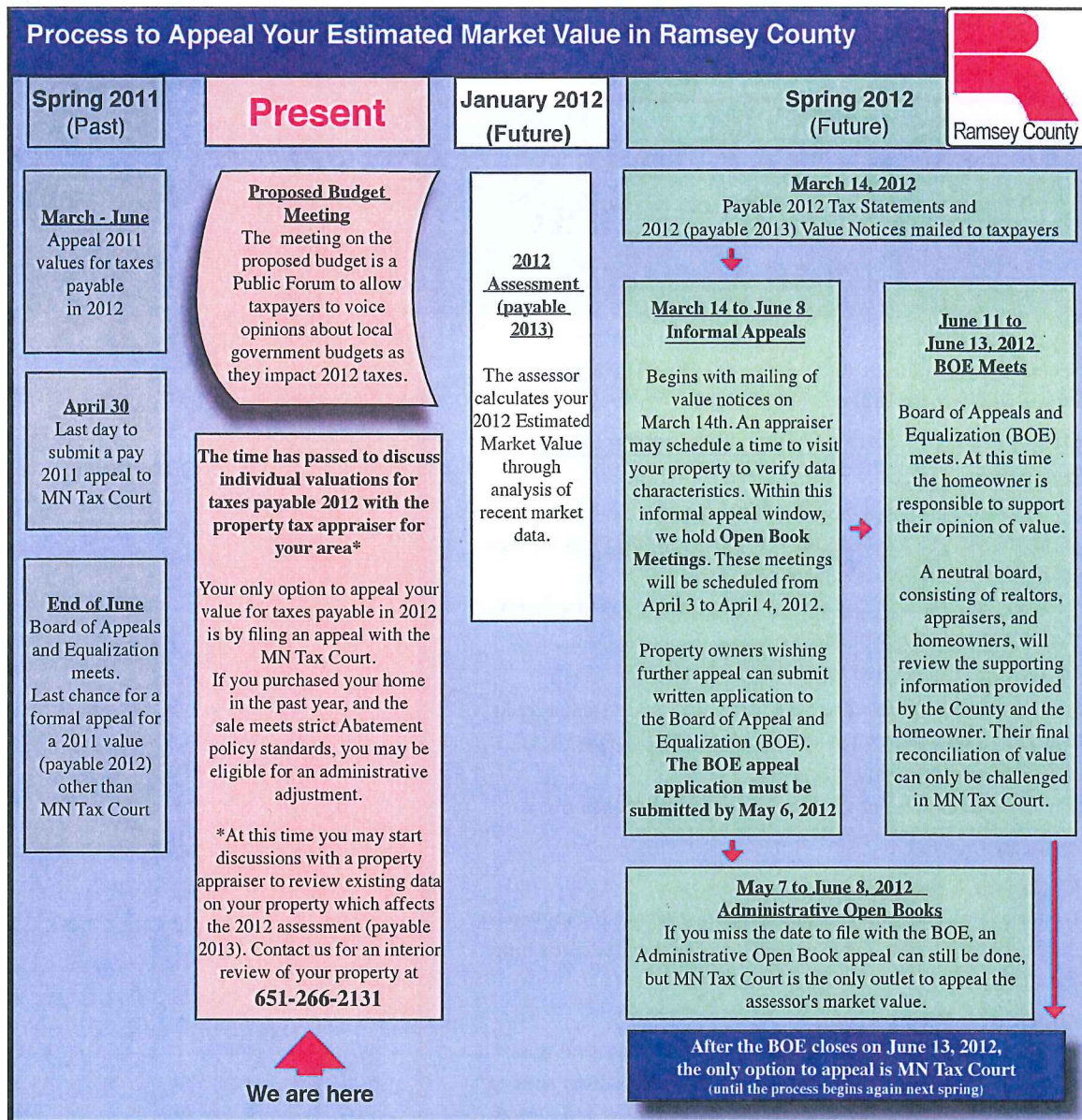
1. 2012-2013 Budget Summary
2. Community Benchmarks, 2011 (with MLC comparisons)
3. Utility Operations and Recommended 2012 Utility Rates
4. Information from Ramsey County regarding the property value appeal process, property tax refunds and deferrals, programs for the disabled, and homestead applications
5. Information from Ramsey County entitled "How can my property value go down and my taxes go up?"
6. A brief description of homestead benefit changes (Market Value Homestead Credit ending and the new Homestead Market Value Exclusion)
7. League of Minnesota Cities handout on Homestead Market Value Exclusion

Other documents attached to this report include:

1. Published notice announcing the hearing
2. Power point presentation for the budget hearing

Final adoption of budget items is scheduled for the December 19 regular Council meeting.

Process to Appeal Your Estimated Market Value in Ramsey County



Programs that may Reduce Your Property Taxes

Refunds /Deferrals Available

1. Some homeowners will qualify for a **Special Property Tax Refund**. There is **No Income Limit** for this refund.
2. Homeowners, with household income under \$100,780, can apply for a **Regular Property Tax Refund**. Higher income limits apply if you have dependents or if you are a senior or disabled.
3. Senior Citizens may qualify to defer a portion of their homestead property taxes to a later time.

For details on these Property Tax Refund and deferral opportunities, go to:
www.taxes.state.mn.us
 or call (651) 296-3781

Market Value Exclusion on Homestead Property of Disabled Veterans

If you are a disabled veteran with a 70-100% service disability, you may be eligible for a market value exclusion. This will reduce property taxes for the homestead of qualifying disabled veterans. Application qualifications and deadlines apply.

Homestead Applications Due December 15, 2011

You must contact your County Assessor to file a homestead application if one of the following applies:

- You are a new owner.
- You have changed your marital status.
- You have changed your name.
- You have changed residence or mailing address.
- You have added or removed an owner.

If you sell, move, or for any reason no longer qualify for the homestead classification, you are required to notify the County Assessor within 30 days of the change in homestead status.

Special Homestead Classification (1B) for Persons who are Blind or Permanently and Totally Disabled – If you own and occupy a home and are 100% disabled or legally blind, you may qualify for this program. This is in addition to the benefit provided to regular homesteads and will reduce your property taxes. Application qualifications and deadlines apply.

For information on any of these topics, go to: www.co.ramsey.mn.us/prr
 call, 651-266-2040, or
 Email: AskHomesteads@co.ramsey.mn.us

How Can My Property Value Go Down and My Taxes Go Up?

Several factors influence value and taxes. The following two factors will have the largest impact this year:

HOMESTEAD MARKET VALUE CREDIT CHANGES

What Is Changing?

- The 2012 Proposed Property Tax notice reflects the elimination of the **HOMESTEAD MARKET VALUE CREDIT** that the state paid to reduce qualifying homeowners' taxes.
- The Credit is replaced with the "**HOMESTEAD MARKET VALUE EXCLUSION**." The Exclusion reduces the amount of market value that is taxed for qualifying homesteads.
- Despite the decreased taxable value, the change from a credit to an exclusion will result in a tax increase on most properties including apartments and businesses.
- The increase is not the result of any action taken by local governments.

Why Is It Changing?

The state faced a \$5 billion deficit. The state saves \$261 million by eliminating the credit. *Local governments cannot undo this state law change.*

PROPERTY TAX LEVIES

Taxes are based on proposed levies, which reflect the difference between the cost of services and revenue received by local units of government, including the city, county, school district and special districts. If proposed levies increase more than the market value is decreasing, the tax on the property will increase.



2012 RAMSEY COUNTY BUDGET AND LEVY OVERVIEW

The Ramsey County Board's proposed budget uses both spending reductions and a modest levy increase to balance the needs of residents and taxpayers in 2012. The budget reflects an overall spending decrease of -3.1% or -\$18,010,272 from 2011 and a proposed levy increase of 1.7% or \$4,674,604 to partially offset state aid and other revenue reductions.

Additional information on Property Taxes, including the state's property tax refund, is available at:
www.co.ramsey.mn.us/prr

2012 Changes in Homestead Benefits

What is changing?

In 2011, the Legislature repealed the Market Value Homestead Credit (MVHC) and replaced it with a new Homestead Market Value Exclusion (HMVE). The last year of the credit is 2011, and the exclusion begins in 2012.

What is a credit?

A **credit** is a reduction in the amount of taxes due.



What is an exclusion?

An **exclusion** is a reduction in the property value for tax purposes.

Why is this change resulting in tax increases?

There are four reasons that these changes in homestead benefits may result in tax increases:

- **State money is no longer reducing total taxes.** By eliminating the homestead credit the state is saving \$260 million per year, and this amount is now being paid by local property tax payers.
- **The reduction in taxable value increases tax rates.** Since the exclusion reduces the total taxable value, collecting the same amount of property tax as in the prior year requires a higher tax rate.
- **The reduction in taxable property value shifts the relative burdens of who pays.** With homestead values reduced, other property types (and homes with higher values) pay a larger share of the tax.
- **The exclusion may provide less benefit to some properties than the credit.** The new homestead exclusion may not be enough to offset the combined impact of higher tax rates and the elimination of the credit for some properties.

Computation of credit and exclusion amounts

Even though the tax benefits of the credit and exclusion may not be equal for every property, the calculation of the exclusion amount is similar to the calculation of the former credit.

Credit = .4% of the first \$76,000,
minus .09% of the value over \$76,000

Exclusion = 40% of the first \$76,000,
minus 9% of the value over \$76,000

Example: House valued at \$150,000

Credit = $(.4\% \times \$76,000) - (.09\% \times \$74,000)$
= \$304 - \$67
= \$237 (rounded to nearest dollar)

Exclusion = $(40\% \times \$76,000) - (9\% \times \$74,000)$
= \$30,400 - \$6,660
= \$23,700 (rounded to nearest \$100)

Comparison of Credit and Exclusion			
	2011	2012	
Home Market Value	Homestead Market Value Credit	Homestead Market Value Exclusion	
\$ 76,000	\$ 304	\$ 30,400	
\$ 150,000	\$ 237	\$ 23,700	
\$ 250,000	\$ 147	\$ 14,700	
\$ 300,000	\$ 102	\$ 10,200	
\$ 350,000	\$ 57	\$ 5,700	
\$ 400,000	\$ 12	\$ 1,200	
\$ 450,000	\$ -	\$ -	

Questions?

How can I find out if my property qualifies for the homestead market value exclusion program? Only homesteads (defined as owner-occupied homes for tax purposes) qualify for the exclusion. Homesteads valued at less than \$76,000 will have 40 percent of their value excluded. For homesteads valued at more than \$76,000 the exclusion percentage is reduced until it hits 0% at homesteads valued at more than \$413,778. The proposed tax statements property owners will receive this fall may be confusing. They might show a change in the value of the home but won't specify how much of that change is due to the new exclusion as opposed to changes in the housing market. The final tax statements sent in the spring will be more specific about what portion of the value is excluded for each homestead.

What does the change mean for business and apartment owners? It is likely that taxes on business and apartment properties will rise in 2012. This is because the non-business and apartment portion of city tax bases will shrink with the exclusions given to homesteads. In other words, business and apartment properties will become bigger pieces of the tax base pie. In order to generate at least the same amount of property tax dollars to provide city services, the tax rate would need to be higher. All properties in a community would be subject to the higher tax rate.

Are all cities affected by this change in the same way? No two cities will be affected in exactly the same way because the mix of different property types is different in each community. In some cities, most of the property tax base is homes. In others, business property or farm property makes up a larger portion of the tax base. The amount of homestead property—specifically, the amount of homes that qualify for the exclusion—will determine the effect on the city's tax base.

Is this change permanent? Will it make my taxes go up or down next year? The State Legislature can always take action on any part of

state property tax policy. It may make changes to the new exclusion program or it may not. The effects of the HMVE on property owners' future tax bills are very difficult to predict—for some properties, tax bills beyond 2012 may increase while for others they may decrease. The transition from the MVHC system to the new HMVE system will be complete in 2012 so moving forward there will not be any effects on property tax bills due to the conversion itself. Regardless of what happens with the new exclusion program, property tax bills can still go up or down due to changes in the property's assessed value, or changes in city, county, or school district levies.

Why is the state government involved in this at all? I thought property taxes were set by local governments? While city councils and mayors set city budgets and determine the amount of property taxes to collect, policy decisions made at the state level about how the property tax system works also affect property tax bills. The state designs property tax relief programs, like the market value homestead credit and the new market value exclusion, as well as the local government aid program (general aid paid directly to cities). The state also establishes different categories of property and determines the portion of each type of property that is taxable through the system of classification rates.

What are the other things that impact how much property tax I pay? Besides state policy choices, other things that can affect your property taxes include city spending decisions, changes in the valuation of your property, changes in the valuation of other properties in your community, and spending decisions of your county and school district. Your property tax bill includes property taxes paid to counties, cities, schools, and special districts, like watershed districts.

Are there other property tax relief programs available for homeowners or business owners? The state administers several property tax relief programs, including the regular property tax refund program (also known as the "circuit breaker" program). Information about the different programs and eligibility rules are available at www.taxes.state.mn.us.

For more information

LEAGUE OF MINNESOTA CITIES

145 University Avenue West, St. Paul, MN 55103-2044

Phone: 651-281-1200 Toll Free: 800-925-1122 Fax: 651-281-1299

www.lmc.org



Notice of Budget Hearing

Shoreview Budget and Property Tax Levy

The Shoreview City Council will hold a public hearing on its budget and on the amount of property taxes it is proposing to collect to pay for the cost of services the city will provide in 2012. The table below provides a summary of spending, property tax levy, taxable value, and tax rate information for Shoreview's proposed budget.

Description	2011 Budget	2012 Proposed Budget	Percent Change
General Fund spending	\$ 8,530,119	\$ 8,730,422	2.3%
Total spending (all funds)	\$ 23,244,955	\$ 24,229,191	4.2%
Tax levy (City)	\$ 9,345,734	\$ 9,290,086	-0.6%
Tax levy (HRA)	\$ 60,000	\$ 70,000	16.7%
Total tax levy (City and HRA)	\$ 9,405,734	\$ 9,360,086	-0.5%
Paid by fiscal disparities pool	\$ (866,880)	\$ (838,214)	-3.3%
Market value credit loss	\$ (351,751)	\$ -	-100.0%
Taxes collected from property owners	\$ 8,187,103	\$ 8,521,872	4.1%
Taxable value (in millions)	\$ 27.644	\$ 25.413	-8.1%
Tax rate (City)	30.671	33.259	8.4%
Tax rate (HRA)	0.198	0.254	28.5%

- General Fund spending is proposed to increase 2.3% (from \$8,530,119 in 2011 to \$8,730,422 in 2012). The General Fund is the City's primary operating fund, accounting for the cost of basic government services.
- Total spending for all operating funds (General, special revenue, debt, utility, and internal service funds) is proposed to increase 4.2%. After deducting the impact of debt restructuring through an advance refunding, the increase in total spending is 1.9%.
- Taxes levied in 2012 are proposed to decrease .5% from 2011.
- The tax rate for 2012 will increase 8.4% over 2011 (from 30.671 to 33.259) due to the combined impact of the levy change and value reductions.
- Tax levy reductions equal to \$202,000 were made to the proposed 2012 levy since the beginning of the budget process.

All Shoreview City residents are invited to attend the Council's public hearing to express their opinions on the budget and proposed amount of 2012 property taxes. The hearing will be held on:

Monday, December 5, at 7:00 p.m.
Shoreview City Hall Council Chambers
4600 Victoria Street North, Shoreview, MN 55126

Written comments may also be submitted to: City of Shoreview, Finance Director's Office, 4600 Victoria Street North, Shoreview, MN 55126

City of Shoreview Budget Hearing Presentation

2012 Budget and Tax Levy

Presentation Notes/Format

Handout Page #

- Handout
 - 2012 Budget Summary (booklet)
 - Not all material covered in presentation
 - Page numbers in presentation refer to booklet pages
- Informational booklets currently on website
- Final Budget and CIP posted to website and at library in early January
- Additional documents available
 - Utility Operations
 - Community Benchmarks
 - Five-year Operating Plan

Budget Objectives

- Balance General fund budget
- Maintain existing services and programs
- Fund infrastructure replacement
- Continue 5-year financial planning
- Meet debt obligations
- Maintain AAA bond rating

Budget Objectives

- Prepare two-year budget and expand budget content:
 - Goals and objectives (expanded content)
 - Performance measures (new)
 - Community survey data (new)
- Protect parks, lakes & open space

Budget Objectives

- Position the City to address future challenges and opportunities
 - Maintain and revitalize neighborhoods
 - Encourage business expansion and reinvestment
 - Assist redevelopment opportunities
 - Utilize technology to improve services and communications

Proposed Tax Levy and Estimated Tax Rate

	2011 Adopted Levy	2012 Proposed Levy	Change	
			Dollars	Percent
General Fund	\$ 6,695,734	\$ 6,467,060	\$ (228,674)	-3.4%
EDA and HRA Funds	85,000	125,000	40,000	47.1%
Debt (all funds combined)	625,000	658,026	33,026	5.3%
Replacement Funds	1,900,000	2,000,000	100,000	5.3%
Capital Improvement Funds	100,000	110,000	10,000	10.0%
	<u>\$ 9,405,734</u>	<u>\$ 9,360,086</u>	<u>\$ (45,648)</u>	<u>-0.5%</u>
Taxable Value (millions)	\$ 27.644	\$ 25.413	\$ (2.232)	-8.1%
Tax Rate	30.671	33.259	2.588	8.4%
Fiscal Disparities Contribution	\$ 866,880	\$ 838,214	\$ (28,666)	-3.3%

Proposed levy is \$202,000 lower than preliminary budget request.

Items Impacting the Tax Levy (Operating)

• Market value homestead credit	\$ - 350,000
• Public safety costs	146,972
• Capital replacement funds	100,000
• EDA and HRA levy	40,000
• Debt payments	33,026
• Capital improvements	10,000
• Personnel costs	3,806
• All other changes combined	<u>- 29,452</u>
Total Levy Changes	\$ - 45,648

Budget Reduction and Efficiency Strategies

- Contract for police and fire protection
- Continue use of correctional crew
- Eliminate department director position
- Discontinue Access Shoreview articles
- Maintain no contingency allowance
- Long-term preventative maintenance
- Delay some street renewal projects
- Limit staff wage adjustment to 1%

Impact on Homes Market Value Changes

Shoreview Residential Property		
Value Change	Number of Homes	Percent of Total
Increase more than 5%	139	1.5%
Increase up to 5%	1	0.0%
No change	2,169	23.1%
Decrease .1% to 5%	3,101	33.0%
Decrease 5.1% to 10%	2,263	24.1%
Decrease 10.1% to 15%	1,159	12.3%
Decrease more than 15%	563	6.0%
Total Parcels	9,395	100.0%

Impact on Homes State Tax Law Changes

- Elimination of MVHC program
 - Provided tax credit to homeowners
 - Reimbursed local governments for lost credit
 - State budget problems led to State cuts
- New HMVE program
 - Reduces residential market value
 - Designed to provide similar credits as MVHC
- Impacts
 - Reduces taxable values
 - Shifts tax burden
 - Handout available from League of Minnesota Cities

Impact on Homes City Tax Change (Median Home Value)

Shoreview share of tax bill only

2011	Market Value				City Portion of Property Tax		Change in City Property Tax	
	2012		Value Change		2011	2012	Dollars	Percent
	Before HMVE	After HMVE	Before HMVE	After HMVE				
\$ 253,440	\$ 235,700	\$ 219,673	-7.0%	-13.3%	\$ 740.15	\$ 730.60	\$ (9.55)	-1.3%
\$ 249,350	\$ 235,700	\$ 219,673	-5.5%	-11.9%	\$ 726.79	\$ 730.60	\$ 3.81	0.5%
\$ 244,800	\$ 235,700	\$ 219,673	-3.7%	-10.3%	\$ 711.79	\$ 730.60	\$ 18.81	2.6%
\$ 242,900	\$ 235,700	\$ 219,673	-3.0%	-9.6%	\$ 705.52	\$ 730.60	\$ 25.08	3.6%
\$ 235,700	\$ 235,700	\$ 219,673	0.0%	-6.8%	\$ 681.78	\$ 730.60	\$ 48.82	7.2%
\$ 231,100	\$ 235,700	\$ 219,673	2.0%	-4.9%	\$ 666.60	\$ 730.60	\$ 64.00	9.6%

Impact on Homes City Tax Change (Various Home Values)

Shoreview share of tax bill only

2011	Market Value				City Portion of Property Tax		Change in City Property Tax	
	2012		Value Change		2011	2012	Dollars	Percent
	Before HMVE	After HMVE	Before HMVE	After HMVE				
\$ 158,730	\$ 150,000	\$ 126,260	-5.5%	-20.5%	\$ 427.91	\$ 419.92	\$ (7.99)	-1.9%
\$ 211,640	\$ 200,000	\$ 180,760	-5.5%	-14.6%	\$ 602.42	\$ 601.18	\$ (1.24)	-0.2%
\$ 249,350	\$ 235,700	\$ 219,673	-5.5%	-11.9%	\$ 726.79	\$ 730.60	\$ 3.81	0.5%
\$ 317,460	\$ 300,000	\$ 289,760	-5.5%	-8.7%	\$ 951.43	\$ 963.70	\$ 12.27	1.3%
\$ 529,101	\$ 500,000	\$ 500,000	-5.5%	-5.5%	\$ 1,645.12	\$ 1,662.94	\$ 17.82	1.1%
\$ 740,741	\$ 700,000	\$ 700,000	-5.5%	-5.5%	\$ 2,456.52	\$ 2,494.40	\$ 37.88	1.5%
\$ 952,381	\$ 900,000	\$ 900,000	-5.5%	-5.5%	\$ 3,267.92	\$ 3,325.87	\$ 57.95	1.8%

Assumes 5.5% value decrease

Impact on Homes Total Tax Change (Various Home Values)

2011	Market Value		Value Change		Total Property Tax		Change in Total Property Tax	
	2012							
	Before HMVE	After HMVE	Before HMVE	After HMVE	2011	2012	Dollars	Percent
\$158,730	\$150,000	\$126,260	-5.5%	-20.5%	\$ 1,977	\$ 2,005	\$ 28	1.4%
\$211,640	\$200,000	\$180,760	-5.5%	-14.6%	\$ 2,760	\$ 2,839	\$ 79	2.9%
\$249,350	\$235,700	\$219,673	-5.5%	-11.9%	\$ 3,319	\$ 3,435	\$ 116	3.5%
\$317,460	\$300,000	\$289,760	-5.5%	-8.7%	\$ 4,326	\$ 4,507	\$ 181	4.2%
\$529,101	\$500,000	\$500,000	-5.5%	-5.5%	\$ 7,442	\$ 7,740	\$ 298	4.0%
\$740,741	\$700,000	\$700,000	-5.5%	-5.5%	\$11,016	\$11,504	\$ 488	4.4%
\$952,381	\$900,000	\$900,000	-5.5%	-5.5%	\$14,590	\$15,268	\$ 678	4.6%

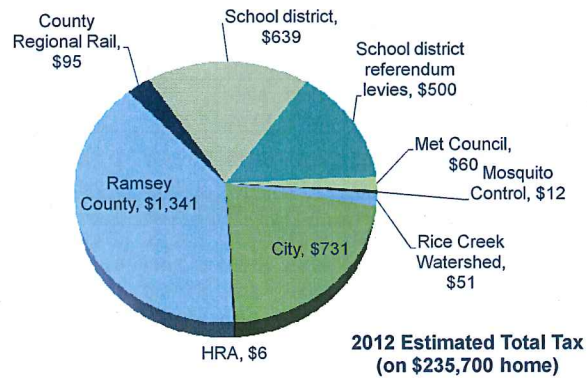
Assumes Mounds View schools
and a 5.5% value decrease

Impact on Homes Total Tax Change (Various Home Values)

2011	Market Value		Value Change		Total Property Tax		Change in Total Property Tax	
	2012							
	Before HMVE	After HMVE	Before HMVE	After HMVE	2011	2012	Dollars	Percent
\$150,000	\$150,000	\$126,260	0.0%	-15.8%	\$ 1,848	\$ 2,005	\$ 157	8.5%
\$200,000	\$200,000	\$180,760	0.0%	-9.6%	\$ 2,588	\$ 2,839	\$ 251	9.7%
\$235,700	\$235,700	\$219,673	0.0%	-6.8%	\$ 3,116	\$ 3,435	\$ 319	10.2%
\$300,000	\$300,000	\$289,760	0.0%	-3.4%	\$ 4,068	\$ 4,507	\$ 439	10.8%
\$500,000	\$500,000	\$500,000	0.0%	0.0%	\$ 6,951	\$ 7,740	\$ 789	11.4%
\$700,000	\$700,000	\$700,000	0.0%	0.0%	\$10,328	\$11,504	\$1,176	11.4%
\$900,000	\$900,000	\$900,000	0.0%	0.0%	\$13,706	\$15,268	\$1,562	11.4%

Assumes Mounds View schools
and no value change

Distribution of 2012 Estimated Total Property Tax Bill = \$3,435



Shoreview is 21.3% of total

Property Tax Comparison

2011 City Tax on \$249,350 Home

Shoreview tax is 21.9% below average

(Shoreview and 28 other Metro-area comparison Cities, before allocation of the MVHC.)



Property Tax Comparison

2011 Total Tax
on \$249,350
Home

Total tax is
3.5% above
average

(Shoreview and 28 other
Metro-area comparison
Cities, and including the
\$148 market value
homestead credit.)



Other Handouts

City of Shoreview

- Community Benchmarks
- Utility Operations and Recommended 2012 Utility Rates
- Homestead benefit changes
 - Including League of Minnesota Cities discussion on Homestead Market Value Exclusion program

Ramsey County Handouts

Reverse side of tax statement

- Refunds, deferrals, programs for disabled persons and homestead information
- Homestead information
- Property value appeal process

Handout entitled "How can my property value go down and my taxes go up?"

Future Council Action December 19, 2011

- Adopt
 - Budget and Capital Improvement Program
 - Tax levy
 - Utility rates
 - Working capital targets for operating funds
- Receive
 - Comprehensive Infrastructure Replacement Plan
 - Five-Year Operating Plan



*2012-2013
Budget Summary*

Budget Hearing
7:00 p.m. December 5, 2011
City Hall Council Chambers

4600 Victoria Street N
Shoreview, MN 55126
(651) 490-4600
www.shoreviewmn.gov

November 2011

Dear Citizens:

In preparing our 2012-2013 Operating Budget and Capital Improvement Program, and the Five-Year Operating Plan the City Council is committed to maintaining the services, programs and facilities that make Shoreview one of the premier suburban communities in the Twin Cities Metropolitan area. Accomplishing this goal is even more difficult in these economic times. Despite the obvious challenges in the last year, Shoreview has managed to:

- Significantly improve and expand content in the Budget document to include a discussion of activity measures, community survey results and budget impacts for each activity, as well as an expanded discussion of each fund
- Maintain the City's AAA bond rating, the highest rating awarded
- Preserve quality services and programs for our residents
- Continue the development and evaluation of 5-year operating goals and strategies

As we look to the future, the City must ensure that our limited financial resources continue to be used to provide services such as police and fire protection; maintenance and snowplowing of streets; water and sewer services; and recreational programs and facilities (including parks and trails) in an effective manner.

We hope you find the information included in this 2012-2013 Budget Summary helpful in explaining how the City puts your tax dollars to work in our community. If you have questions about the City's budget, please contact us at 651-490-4600.

Sandy Martin
Mayor

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Budget Objectives

The Operating Budget and Capital Improvement Program are developed considering the difficult economic climate, resident feedback during the year, periodic community surveys, and City Council goals. Primary budget objectives for 2012-2013 include:

- Balance the General Fund budget
- Maintain existing services and programs through efficient use of tax dollars
- Recover utility costs through user fees, including restructuring of water rates to generate sufficient revenue to cover operating costs
- Fund infrastructure replacement
- Continue five-year financial planning for operating funds
- Meet debt obligations
- Maintain AAA bond rating
- Prepare a two-year budget, and expand budget content
- Protect and enhance parks, lakes and open space areas
- Position the City to effectively address future challenges and opportunities (revitalize neighborhoods, encourage reinvestment, assist redevelopment opportunities, and utilize technology to improve services and communications)

Executive Summary

The following listing provides a summary of key information discussed in this document:

- No major service level changes for 2012 despite the elimination of the Parks and Recreation Director position
- Proposed 2012 tax levy decreases .5% and has been reduced \$202,000 since department budget requests
- Total taxable property value drops 8% due to a combination of value reductions and the new Homestead Market Value Exclusion (HMVE) program
- City tax rate increases 8.4% due to the combined impact of the levy decrease and declining taxable value
- City receives approximately 21% of total property taxes in 2012; other taxing jurisdictions collect the remaining 79%
- City share of the tax bill ranks 5th lowest among comparison cities in 2011 (22% below the average)
- About 28 cents of each property tax dollar goes to support public safety, followed by replacement costs at 22 cents, parks and recreation at 20 cents, general government at 10 cents, public works and debt service at 8 cents each, community development at 3 cents, and all other costs at 1 cent
- General Fund spending increases 2.3% (including transfers)
- About 74% of home values decline for 2012 taxes, and 24% of home values remain the same
- The change in individual property tax bills varies depending on the change in property value

Budget Process

The budget process starts in May with the distribution of budget materials to departments, followed by a series of staff budget discussions. Council budget workshops are held from early August through November, followed by a budget hearing the first regular Council meeting in December and budget adoption at the second regular Council meeting in December. The budget is published, posted to the City's website, and distributed to the County Library in January.

Proposed Tax Levy

The table below provides a two-year comparison of Shoreview's tax levy, taxable values, tax rate and the metro-wide fiscal disparities contribution. Key changes for 2012 include:

- Total tax levy decreases .5% (\$45,648 reduction)
- Taxable value decreases 8.1% (to \$25.4 million for 2012) due to a combination of declining residential values and the new HMVE program
- Tax rate increases 8.4% due to the combined impact of the levy reduction and decreasing values
- Fiscal disparities contribution from the metro-area pool decreases 3.3%

	2011	2012	Change	
	Adopted Levy	Proposed Levy	Dollars	Percent
General Fund	\$6,695,734	\$6,467,060	\$ (228,674)	-3.4%
EDA and HRA Funds	85,000	125,000	40,000	47.1%
Debt (all funds combined)	625,000	658,026	33,026	5.3%
Replacement Funds	1,900,000	2,000,000	100,000	5.3%
Capital Improvement Funds	100,000	110,000	10,000	10.0%
Total Tax Levy	\$9,405,734	\$9,360,086	\$ (45,648)	-0.5%
Taxable Value (millions)	\$ 27.644	\$ 25.413	\$ (2.232)	-8.1%
Tax Rate	30.671	33.259	2.588	8.4%
Fiscal Disparities Contribution	\$ 866,880	\$ 838,214	\$ (28,666)	-3.3%

Shoreview is able to levy less than 2011 while continuing to fund essential City services through a combination of revenue and expense changes described on the following page.

The listing below provides a summary of items causing either an increase or a decrease in Shoreview's proposed 2012 tax levy, followed by a brief discussion of each item:

Market value homestead credit	\$ - 350,000
Public safety contracts (police and fire)	146,972
Capital replacements	100,000
EDA and HRA	40,000
Debt payments	33,026
Capital improvements	10,000
Personnel costs	3,806
All other changes combined (net)	<u>- 29,452</u>
Total Levy Changes	\$ - 45,648

- Market Value Homestead Credit program ends, eliminating the need to levy for state cuts to the program
- Public safety provides for police (patrol, investigations, dispatch and animal control) and fire (continued duty-crew implementation and overall fire protection costs)
- Capital replacement levies support replacement of streets and other assets as needed
- EDA and HRA levies support economic development and housing related programs and activities
- Debt payment levies have been structured to minimize the impact on current and future tax levies by setting aside \$378,064 of General Fund surplus from the year 2010
- Capital improvement levies provide funding for park enhancements
- Personnel costs include reclassification of an administrative position to part-time, elimination of a Department Director position due to retirement (and restructuring of duties), the addition of a Communications Coordinator, a 1% wage adjustment for full-time staff, an increase in the health insurance contribution, and mandatory contributions to social security and PERA.
- All other changes include increased revenues (mechanical permits, administrative charges and fines), 2012 general election, discontinuance of Access Shoreview articles, reduced transfers out and other miscellaneous changes.

All Operating Funds Combined

Shoreview prepares a Five-Year Operating Plan (FYOP) covering all operating and debt service funds, and will begin preparing a Biennial Operating Budget and Capital Improvement Program starting with the 2012-2013 biennial budget. The table on the next page summarizes the total proposed budgets for 2012 and 2013 in comparison to prior years. The following funds are included in the table:

- General Fund
- Special Revenue Funds
 - Recycling
 - Community Center
 - Recreation Programs
 - Cable Television
 - Economic Development Authority
 - Housing and Redevelopment Authority
 - Slice of Shoreview
- Debt Funds
- Enterprise Funds
 - Water
 - Sewer
 - Surface Water Management
 - Street Lighting
- Internal Service Funds
 - Central Garage
 - Short-term Disability
 - Liability Claims

The above list, and the table on the next page include funds that receive tax dollars as well as funds that receive no tax support. For instance, the Recycling, Community Center, Recreation Programs, Cable Television, and Enterprise Funds cover the majority of operating costs through user charges and outside revenue.

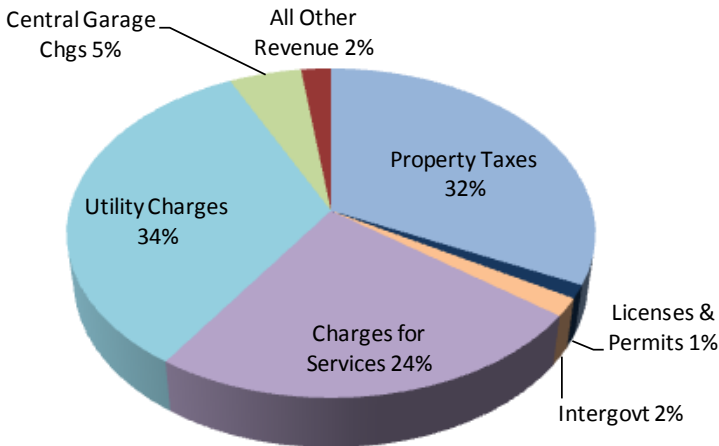
Capital Project Funds (for the construction and replacement of major assets) are not included in the table on the next page.

Total operating and debt service costs (excluding transfers between funds) are expected to increase 5% for 2012. Half of the increase (2.5%) is due to the restructuring of debt payments through an advance refunding, which saved the City more than \$167,000 in future interest costs.

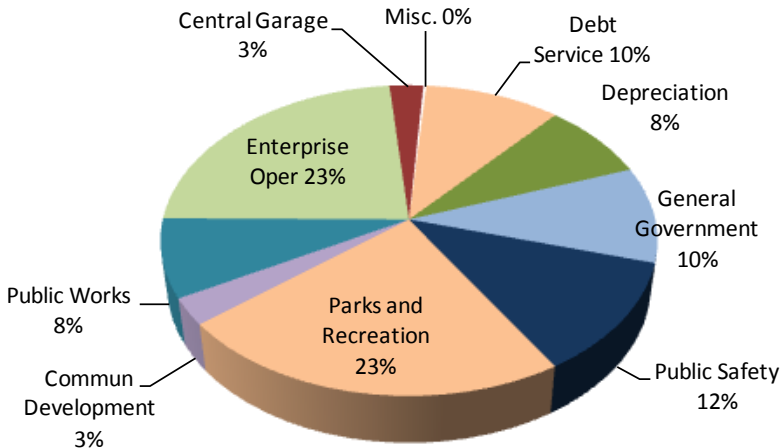
	2010 Actual	2011		2012 Proposed	2013 Proposed
		Budget	Estimate		
Revenue					
Property Taxes	\$ 6,777,040	\$ 7,055,734	\$ 7,055,734	\$ 7,250,086	\$ 7,537,037
Special Assessments	201,614	144,311	132,222	115,865	107,971
Licenses and Permits	501,198	281,150	307,010	292,750	279,750
Intergovernmental	342,426	235,602	280,122	400,247	367,832
Charges for Services	5,305,833	5,271,261	5,361,635	5,473,175	5,625,135
Fines and Forfeits	32,813	42,500	61,480	62,000	62,500
Utility Charges	6,487,924	7,177,300	6,964,709	7,540,762	7,864,601
Central Garage Chgs	1,043,775	1,109,816	1,109,080	1,137,680	1,153,020
Interest Earnings	160,710	232,550	193,500	208,550	220,350
Other Revenues	146,587	72,942	86,280	81,860	82,300
Total Revenue	\$ 20,999,920	\$ 21,623,166	\$ 21,551,772	\$ 22,562,975	\$ 23,300,496
Expense					
General Government	\$ 2,077,391	\$ 2,139,609	\$ 2,108,527	\$ 2,307,905	\$ 2,317,773
Public Safety	2,448,406	2,573,947	2,579,250	2,721,227	2,884,628
Public Works	1,714,051	1,819,210	1,779,738	1,889,483	1,965,317
Parks and Recr.	5,076,848	5,251,084	5,229,808	5,294,174	5,452,163
Community Devel.	621,455	625,265	627,813	637,832	659,859
Enterprise Oper.	5,110,193	5,328,684	5,373,536	5,409,730	5,559,989
Central Garage	502,790	562,782	546,685	576,564	590,407
Miscellaneous	79,834	38,000	48,000	48,000	40,000
Debt Service	2,172,791	1,795,013	2,125,505	2,333,436	2,277,782
Depreciation	1,397,175	1,810,200	1,804,000	1,861,000	1,914,000
Total Expense	\$ 21,200,934	\$ 21,943,794	\$ 22,222,862	\$ 23,079,351	\$ 23,661,918
Other Sources (Uses)					
Sale of Asset-Gain	29,473	30,000	47,000	20,000	41,000
Debt Proceeds	-	-	4,620,000	-	20,000
Debt Refunding	-	-	(4,705,990)	-	-
Contrib Assets	107,585	-	-	-	-
Transfers In	1,992,463	1,929,061	1,942,301	2,056,090	2,359,186
Transfers Out	(1,211,030)	(1,301,161)	(1,259,529)	(1,149,840)	(1,338,400)
Net Change	\$ 717,477	\$ 337,272	\$ (27,308)	\$ 409,874	\$ 720,364

The anticipated increase in fund equity for 2012 and 2013 occur primarily in special revenue, utility and internal service funds. These changes in fund balance are consistent with the fund balance goals established in the Five-year Operating Plan (FYOP).

Utility charges (water, sanitary sewer, surface water and street lighting) provide the largest share of operating fund revenue (34%) followed by property taxes (32%), charges for service (24%), central garage charges (5%), intergovernmental revenue (2%), licenses and permits (1%) and all other revenue (2%).



Public works accounts for 31% of operating expense, including 23% for enterprise operations (utility) and 8% for public works (engineering, streets, trails and forestry). Parks accounts for 23%, followed by public safety at 12%, general government and debt at 10% each, depreciation at 8%, and community development and central garage at 3% each.



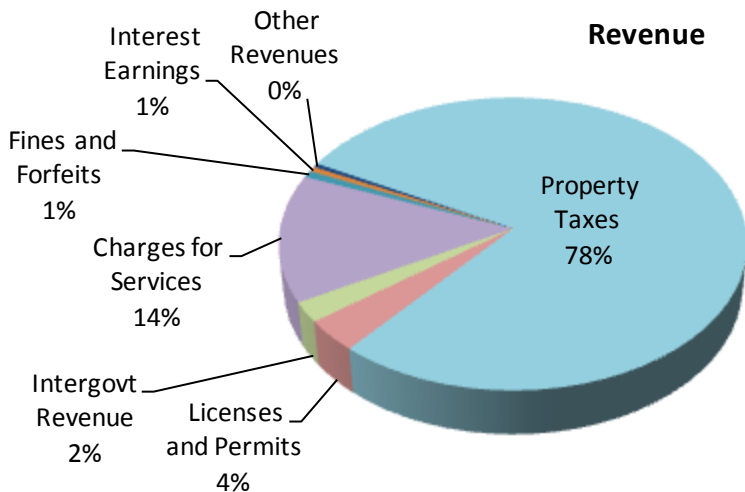
General Fund

The General Fund is the City's primary operating fund. As such, it accounts for costs associated with basic government activities not already accounted for elsewhere, including: police and fire, street maintenance and snow plowing, community development, park and trail maintenance, city hall operations, and general government services.

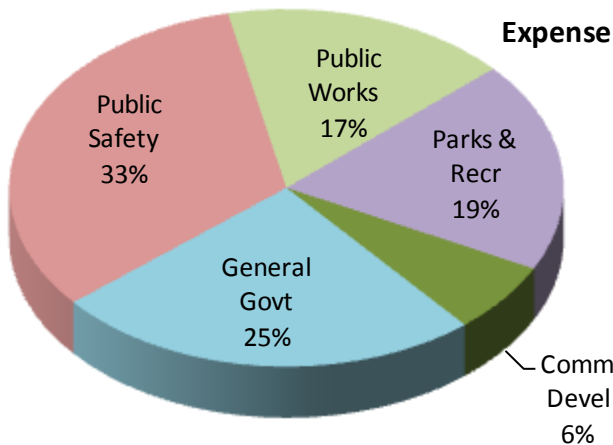
Contractual costs account for 52% of General Fund expense, followed by personal services at 44%, and supplies at 4%.

	Actual 2010	Budget 2011	Proposed Budget	
			2012	2013
Revenue				
Property Taxes	\$ 6,170,162	\$ 6,345,734	\$ 6,467,060	\$ 6,717,037
Licenses and Permits	501,198	281,150	292,750	279,750
Intergovernmental	187,717	175,602	183,002	184,302
Charges for Services	1,226,101	1,132,240	1,164,450	1,205,680
Fines and Forfeits	32,813	42,500	62,000	62,500
Interest Earnings	38,330	50,000	45,000	45,000
Other Revenues	33,400	26,442	35,160	25,600
Total Revenue	\$ 8,189,721	\$ 8,053,668	\$ 8,249,422	\$ 8,519,869
Expense				
General Government	\$ 1,696,835	\$ 1,939,849	\$ 2,085,610	\$ 2,107,075
Public Safety	2,448,406	2,573,947	2,721,227	2,884,628
Public Works	1,284,791	1,376,037	1,400,009	1,461,077
Parks and Recreation	1,665,045	1,681,472	1,588,453	1,625,645
Community Devel.	554,739	526,804	534,323	547,944
Total Expense	\$ 7,649,816	\$ 8,098,109	\$ 8,329,622	\$ 8,626,369
Transfers In	312,000	476,451	481,000	519,000
Transfers Out	(793,418)	(432,010)	(400,800)	(412,500)
Net Change	\$ 58,487	\$ -	\$ -	\$ -

Property taxes account for 78% of General Fund revenue, followed by 14% from charges for services, 4% from licenses and permits, and 4% from all other sources.



Public safety accounts for the largest share of the General Fund budget at 33% of the total, followed by 25% for general government, 19% for parks and recreation, 17% for public works and 6% for community development.



Special Revenue Funds

The City operates six special revenue funds, as follows:

- Recycling accounts for the bi-weekly curbside program.
- Community Center accounts for operation/maintenance of the facility. Admissions/memberships provide about 65% of revenue, while rentals, concessions and other fees provide 23%. Inter-fund transfers include \$225,000 from the General fund (to keep membership rates affordable and offset free or reduced room rental rates for community groups), and \$75,000 from the Recreation Programs fund for building use.
- Recreation Programs accounts for fee-based recreational and social programs, and receives \$65,000 from the General fund for playground and general program costs.
- Cable Television accounts for franchise administration (through North Suburban Communications Commission) and City communication activities. The primary revenue is cable franchise fees.

	Recycling	Community Center	Recreation Programs	Cable Television
Revenue				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	69,000	-	-	-
Charges for Services	451,300	2,269,985	1,277,740	280,000
Interest Earnings	-	8,000	4,600	1,800
Other Revenues	-	-	-	1,200
Total Revenue	520,300	2,277,985	1,282,340	283,000
Expense				
General Government	-	-	-	165,095
Public Works	489,474	-	-	-
Parks and Recreation	-	2,458,919	1,246,802	-
Community Development	-	-	-	-
Total Expense	489,474	2,458,919	1,246,802	165,095
Other Sources (Uses)				
Transfers In	-	300,000	65,000	-
Transfers Out	-	-	(75,000)	(121,950)
Net Change	\$ 30,826	\$ 119,066	\$ 25,538	\$ (4,045)

- EDA accounts for Economic Development Authority activities, including: business retention and expansion, targeted redevelopment, employment opportunities, and efforts to strengthen and diversify the City's tax base.
- HRA accounts for Housing Redevelopment Authority efforts to preserve housing stock, and maintain quality neighborhoods through programs and policies designed to promote reinvestment and improvements to homes.
- Slice of Shoreview accounts for donations, sponsorships, revenues and expenses associated with the Slice of Shoreview event. The General fund provides \$10,000 in support to help defray costs of the event.

	EDA	HRA	Slice of Shoreview	Total
Revenue				
Property Taxes	\$ 55,000	\$ 70,000	\$ -	\$ 125,000
Intergovernmental	-	-	-	69,000
Charges for Services	-	-	22,000	4,301,025
Interest Earnings	-	-	-	14,400
Other Revenues	-	-	25,000	26,200
Total Revenue	55,000	70,000	47,000	4,535,625
Expense				
General Government	-	-	57,200	222,295
Public Works	-	-	-	489,474
Parks and Recreation	-	-	-	3,705,721
Community Development	49,783	53,726	-	103,509
Total Expense	49,783	53,726	57,200	4,520,999
Other Sources (Uses)				
Transfers In	-	-	10,000	375,000
Transfers Out	-	-	-	(196,950)
Net Change	\$ 5,217	\$ 16,274	\$ (200)	\$ 192,676

Debt Service Funds

The table below provides a summary of revenue and expense for Debt Service Funds. Revenue derived from the debt levy and special assessments provides about 24% of the funding needed for annual principal and interest payments in 2012. These revenues are legally restricted to the payment of the debt, and therefore are held within the corresponding debt fund until the debt issue is paid in full. The remainder of funding for debt payments is provided by internal sources (in the form of transfers from other funds), interest earnings, tax increment collections, etc.

	G.O. Bonds & Capital Lease	TIF Bonds	G.O. Impr. Bonds	Total Debt Funds
Revenue				
Property Taxes	\$ 375,000	\$ -	\$ 67,026	\$ 442,026
Special Assessments	-	-	115,865	115,865
Interest Earnings	11,500	-	6,350	17,850
Total Revenue	386,500	-	189,241	575,741
Expense				
Debt Service	835,261	575,747	332,539	1,743,547
Total Expense	835,261	575,747	332,539	1,743,547
Other Sources (Uses)				
Transfers In	445,000	573,000	1,490	1,019,490
Transfers Out	-	-	(1,490)	(1,490)
Net Change	\$ (3,761)	\$ (2,747)	\$ (143,298)	\$ (149,806)

The planned decrease in fund balance is due to the use of fund balances that have been accumulated and held for the payment of debt, including the use of \$378,064 in General Fund surplus that was set aside at the end of 2010 to reduce the impact of future debt payments on the tax levy.

Internal Service Funds

The City operates three internal service funds, as follows:

- Central Garage accounts for operation and maintenance of vehicles, heavy machinery, miscellaneous equipment and the maintenance facility. The primary source of revenue is inter-fund equipment and building charges designed to recover operating expense. Property taxes, intergovernmental revenue (federal interest credits) and transfers in cover debt payments.
- Short-term Disability is a self-insurance fund that accounts for premiums charged for short-term disability coverage and expense associated with disability claims.
- Liability Claims accounts for dividends received annually from the League of Minnesota Cities Insurance Trust for the City's liability insurance coverage as well as losses not covered by the City's insurance (due to deductibles).

	Central Garage	Short-term Disability	Liability Claims	Total
Revenue				
Property Taxes	\$ 216,000	\$ -	\$ -	\$ 216,000
Intergovernmental	120,715	-	-	120,715
Charges for Services	-	7,500	-	7,500
Central Garage Charges	1,137,680	-	-	1,137,680
Interest Earnings	22,000	600	2,200	24,800
Other Revenues	-	-	20,000	20,000
Total Revenue	1,496,395	8,100	22,200	1,526,695
Expense				
Central Garage	576,564	-	-	576,564
Miscellaneous	8,000	8,000	32,000	48,000
Debt Service	247,157	-	-	247,157
Depreciation	673,000	-	-	673,000
Total Expense	1,504,721	8,000	32,000	1,544,721
Other Sources (Uses)				
Sale of Asset-Gain	20,000	-	-	20,000
Transfers In	180,600	-	-	180,600
Net Change	\$ 192,274	\$ 100	\$ (9,800)	\$ 182,574

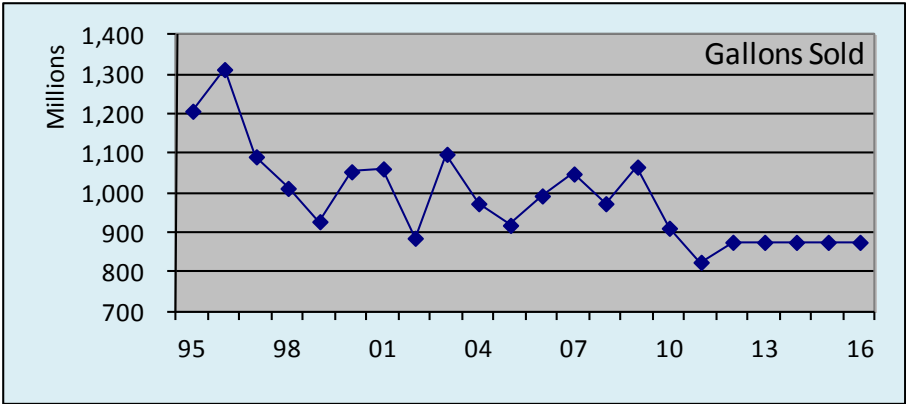
Enterprise (Utility) Funds

The City operates four utility funds. These funds account for services that are supported primarily through quarterly utility fees designed to cover operating costs, debt service, depreciation expense and replacement costs. The table below shows the proposed 2012 budget for each of these funds.

	Water	Sewer	Surface Water	Street Lighting	Total
Revenue					
Intergovernmental	\$ 13,200	\$ 10,515	\$ 3,815	\$ -	\$ 27,530
Charges for Services	-	200	-	-	200
Utility Charges	2,468,800	3,506,500	1,109,462	456,000	7,540,762
Interest Earnings	55,000	25,000	24,000	2,500	106,500
Other Revenues	-	-	-	500	500
Total Revenue	2,537,000	3,542,215	1,137,277	459,000	7,675,492
Expense					
Enterprise Operations	1,455,461	2,942,296	760,233	251,740	5,409,730
Debt Service	184,287	72,843	85,602	-	342,732
Depreciation	630,000	300,000	218,000	40,000	1,188,000
Total Expense	2,269,748	3,315,139	1,063,835	291,740	6,940,462
Other Sources (Uses)					
Transfers Out	(240,000)	(188,000)	(107,000)	(15,600)	(550,600)
Net Change	\$ 27,252	\$ 39,076	\$ (33,558)	\$ 151,660	\$ 184,430

Residential water consumption has declined in recent years, due in part to changing demographics (age and number of residents per home), changing usage patterns (lower household use), and changing weather patterns (fewer gallons used for summer watering except during periods of drought). The decline in consumption has caused a drop in water revenues despite an increase in water rates. For instance, 2010 water revenue was 11% less than 2009, even though the City raised water rates 10%. Water revenue in 2011 is projected to be only 5% higher than 2010 despite a 6% rate increase. As water use continues to decline, it becomes more challenging to adjust water rates enough to offset operating costs.

The graph below demonstrates the downward trend for total water consumption by showing the total gallons of water sold each year since 1995, and the estimated gallons used to compute revenue projections in future years (2012 through 2016). The continuing downward trend has forced the City to revise the base gallon estimates used to project utility revenue in each of the last 3 years. In general, weather (either from sustained periods of drought or heavy rain) is the primary cause of fluctuations in gallons sold from year to year.



Periods of lower consumption mean the City maintains and operates the water system with less opportunity to recover costs due to fewer gallons being sold to customers. Over the last 4 years the City has experienced overall losses in 3 of the utility funds (Water, Sewer, and Surface Water Funds), which puts pressure on utility rates.

The budget information, presented at left, for the City’s utility funds shows that 3 of the utility funds will experience a net gain in 2012, and a slight loss is anticipated for the Surface Water Fund. Significant items impacting utility operations include: depreciation of existing assets (\$1.2 million), sewer televising, sewage treatment costs (\$1.7 million), street light repairs, and energy costs.

More information about the City’s utility funds is available in a separate document devoted entirely to utility operations.

City Property Tax by Program

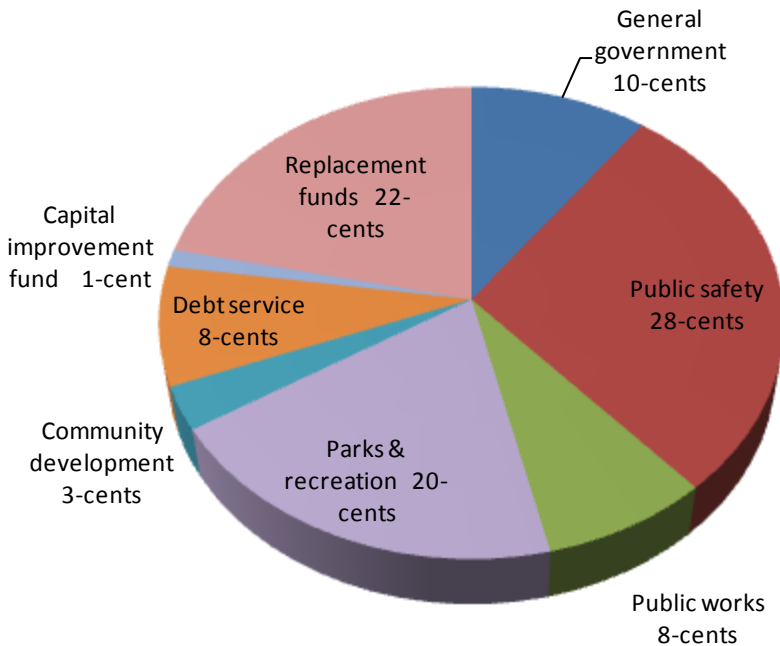
Shoreview's median home will pay about \$4 more in City property taxes in 2012 (assuming a 5.5% decrease in value before the new Homestead Market Value Exclusion is applied). Because property taxes support a variety of City programs and services, the table below is presented to show tax support by program (on an annual basis).

- Public safety accounts for the largest share of the cost at \$206 per year on a median valued home
- A shift of cost from park administration to general government occurs due to the combined impact of a position elimination in the parks area (through a retirement) and the addition of a Communications Coordinator position (at a much lower total cost).

Program	2011 City Tax \$249,350 Home	2012 City Tax \$219,673 Home	Change	
			\$	%
General Government	\$ 66.50	\$ 73.72	\$ 7.22	
Public Safety	201.98	206.69	4.71	
Public Works	58.22	58.01	(0.21)	
Parks and Recreation:				
Park Admin and Maint	132.78	122.01	(10.77)	
Community Center Operation	18.32	17.68	(0.64)	
Recreation Programs	5.23	5.11	(0.12)	
Community Development	23.62	21.84	(1.78)	
Debt Service	58.58	59.62	1.04	
Capital Improvement Fund	8.07	8.62	0.55	
Replacement Funds	153.50	157.30	3.80	
Total City Taxes	\$ 726.80	\$ 730.60	\$ 3.80	0.5%

The pie chart below illustrates how the City will spend each tax dollar it receives in 2012:

- 28 cents for public safety
- 22 cents for replacement funds
- 20 cents for parks and recreation (including maintenance)
- 10 cents for general government
- 8 cents for public works
- 8 cents for debt service
- 3 cents for community development
- 1 cent for capital improvements



What does this mean to my taxes?

Minnesota’s property tax system uses market value to distribute tax burden (adopted levies) among property served.

Market Value Changes—Per the Ramsey County Assessor, 23% of Shoreview homes will remain at the same value for 2012 taxes, 140 homes will increase in value, and the remaining homes will decrease in value.

Despite these value reductions, property taxes will increase for most property owners because the combination of declining taxable values, the end of the Market Value Homestead Credit program, and levy changes result in higher tax rates.

Shoreview Residential Property		
Value Change	Number of Homes	Percent of Total
Increase more than 5%	139	1.5%
Increase up to 5%	1	0.0%
No change	2,169	23.1%
Decrease .1% to 5%	3,101	33.0%
Decrease 5.1% to 10%	2,263	24.1%
Decrease 10.1% to 15%	1,159	12.3%
Decrease more than 15%	563	6.0%
Total Parcels	9,395	100.0%

Market Value Homestead Credit (MVHC) — The state MVHC program, in place since 2003, ends in 2011. This program provided a tax credit to property owners for homes valued at \$413,000 or less.

Homestead Market Value Exclusion (HMVE) — The new HMVE program is designed to provide credits similar to the MVHC program, but does so by excluding a portion of market value for homes valued less than \$413,000. The overall effect of the new program is that it:

- Shifts tax burden from lower valued residential property to commercial/industrial, apartment and higher valued residential property
- Reduces overall taxable values by excluding a portion of home value from tax purposes
- Increases tax rates due to the reduction in values (tax rates are computed by dividing tax levies by the total taxable value for the taxing entity)

Change in City Tax on Median Home Value—The table below illustrates how changes in value and the new HMVE program impact Shoreview’s share of the tax bill for a median value home (for the City share of the tax bill only). Each line assumes a different change in market value.

- A home with a 7% drop in value before HMVE will pay \$9.55 less in City taxes for 2012
- A home with a 5.5% drop in value before HMVE will pay \$3.81 more in City taxes for 2012
- A home with a 3.7% drop in value before HMVE will pay \$18.81 more in City taxes for 2012
- A home with a 3% drop in value before HMVE will pay \$25.08 more in City taxes for 2012
- A home with no change in value before HMVE will pay \$48.82 more in City taxes for 2012
- A home with a 2% increase in value before HMVE will pay \$64 more in City taxes for 2012

Market Value					City Portion of Property Tax		Change in City Property Tax	
2011	2012		Value Change					
	Before HMVE	After HMVE	Before HMVE	After HMVE	2011	2012	Dollars	Percent
\$ 253,440	\$ 235,700	\$ 219,673	-7.0%	-13.3%	\$ 740.15	\$ 730.60	\$ (9.55)	-1.3%
\$ 249,350	\$ 235,700	\$ 219,673	-5.5%	-11.9%	\$ 726.79	\$ 730.60	\$ 3.81	0.5%
\$ 244,800	\$ 235,700	\$ 219,673	-3.7%	-10.3%	\$ 711.79	\$ 730.60	\$ 18.81	2.6%
\$ 242,900	\$ 235,700	\$ 219,673	-3.0%	-9.6%	\$ 705.52	\$ 730.60	\$ 25.08	3.6%
\$ 235,700	\$ 235,700	\$ 219,673	0.0%	-6.8%	\$ 681.78	\$ 730.60	\$ 48.82	7.2%
\$ 231,100	\$ 235,700	\$ 219,673	2.0%	-4.9%	\$ 666.60	\$ 730.60	\$ 64.00	9.6%

Change in City Tax for Various Home Values—The table below shows the estimated change in Shoreview's share of the property tax bill for a variety of home values (City tax only). To illustrate the impact of the HMVE program, each line of the table assumes a 5.5% decrease in value for 2012 before HMVE.

- A home valued at \$150,000 before HMVE will pay \$7.99 less for City taxes in 2012.
- A home valued at \$200,000 before HMVE will pay \$1.24 less for City taxes in 2012.
- A home valued at \$235,700 before HMVE will pay \$3.81 more for City taxes in 2012.
- A home valued at \$300,000 before HMVE will pay \$12.27 more for City taxes in 2012.
- A home valued at \$500,000 before HMVE will pay \$17.82 more for City taxes in 2012.
- A home valued at \$700,000 before HMVE will pay \$37.88 more for City taxes in 2012.
- A home valued at \$900,000 before HMVE will pay \$57.95 more for City taxes in 2012.

Market Value			City Portion of Property Tax		Change in City Property Tax	
2011	2012				Dollars	Percent
	Before HMVE	After HMVE	2011	2012		
\$ 158,730	\$ 150,000	\$ 126,260	\$ 427.91	\$ 419.92	\$ (7.99)	-1.9%
\$ 211,640	\$ 200,000	\$ 180,760	\$ 602.42	\$ 601.18	\$ (1.24)	-0.2%
\$ 249,350	\$ 235,700	\$ 219,673	\$ 726.79	\$ 730.60	\$ 3.81	0.5%
\$ 317,460	\$ 300,000	\$ 289,760	\$ 951.43	\$ 963.70	\$ 12.27	1.3%
\$ 529,101	\$ 500,000	\$ 500,000	\$ 1,645.12	\$ 1,662.94	\$ 17.82	1.1%
\$ 740,741	\$ 700,000	\$ 700,000	\$ 2,456.52	\$ 2,494.40	\$ 37.88	1.5%
\$ 952,381	\$ 900,000	\$ 900,000	\$ 3,267.92	\$ 3,325.87	\$ 57.95	1.8%

Estimates for total property taxes (for all taxing jurisdictions combined) are presented on the facing page.

Change in Total Tax for Various Home Values—The next table shows the estimated change in total taxes for a variety of home values. Again, to illustrate the impact of the HMVE program, each line assumes a 5.5% decrease in value before HMVE.

- A home valued at \$150,000 before HMVE will pay \$28 more in total taxes in 2012.
- A home valued at \$200,000 before HMVE will pay \$79 more in total taxes in 2012.
- A home valued at \$235,700 (the median home value) before HMVE will pay \$117 more in total taxes in 2012.
- A home valued at \$300,000 before HMVE will pay \$181 more in total taxes in 2012.
- A home valued at \$500,000 before HMVE will pay \$298 more in total taxes in 2012.
- A home valued at \$700,000 before HMVE will pay \$488 more in total taxes in 2012.
- A home valued at \$900,000 before HMVE will pay \$678 more in total taxes in 2012.

Market Value			Total Property Tax		Change in Total Property Tax	
	2012					
2011	Before HMVE	After HMVE	2011	2012	Dollars	Percent
\$ 158,730	\$ 150,000	\$ 126,260	\$ 1,977	\$ 2,005	\$ 28	1.4%
\$ 211,640	\$ 200,000	\$ 180,760	\$ 2,760	\$ 2,839	\$ 79	2.9%
\$ 249,350	\$ 235,700	\$ 219,673	\$ 3,319	\$ 3,435	\$ 116	3.5%
\$ 317,460	\$ 300,000	\$ 289,760	\$ 4,326	\$ 4,507	\$ 181	4.2%
\$ 529,101	\$ 500,000	\$ 500,000	\$ 7,442	\$ 7,740	\$ 298	4.0%
\$ 740,741	\$ 700,000	\$ 700,000	\$ 11,016	\$ 11,504	\$ 488	4.4%
\$ 952,381	\$ 900,000	\$ 900,000	\$ 14,590	\$ 15,268	\$ 678	4.6%

The property tax estimates shown in the table above include all taxing jurisdictions: Shoreview, Ramsey County, school districts, watershed districts, Metropolitan Council, Regional Rail and other metro-wide taxing jurisdictions.

The table below shows the estimated change in total taxes for a variety of home values assuming no change in value before HMVE.

- A home valued at \$150,000 before HMVE will pay \$157 more in total taxes in 2012.
- A home valued at \$200,000 before HMVE will pay \$251 more in total taxes in 2012.
- A home valued at \$235,700 (the median home value) before HMVE will pay \$319 more in total taxes in 2012.
- A home valued at \$300,000 before HMVE will pay \$439 more in total taxes in 2012.
- A home valued at \$500,000 before HMVE will pay \$789 more in total taxes in 2012.
- A home valued at \$700,000 before HMVE will pay \$1,176 more in total taxes in 2012.
- A home valued at \$900,000 before HMVE will pay \$1,562 more in total taxes in 2012.

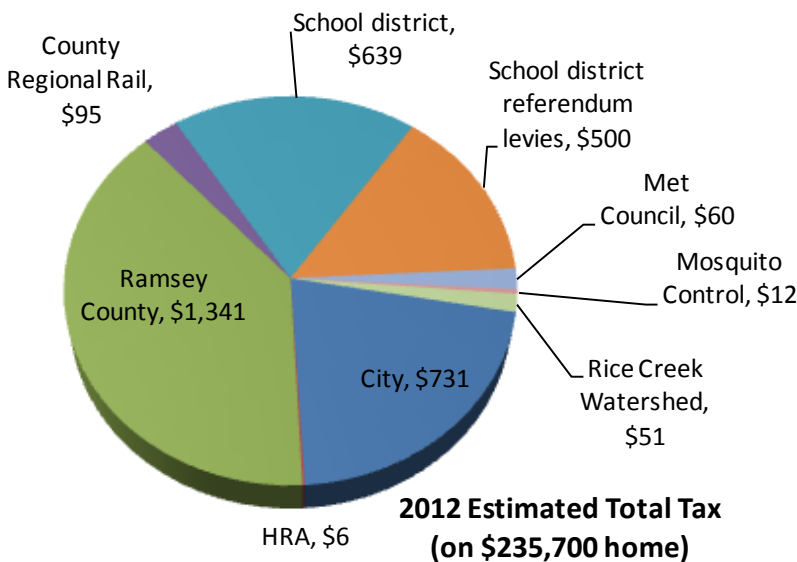
Market Value			Total Property Tax		Change in Total Property Tax	
2011	2012				2011	2012
	Before HMVE	After HMVE				
\$ 150,000	\$ 150,000	\$ 126,260	\$ 1,848	\$ 2,005	\$ 157	8.5%
\$ 200,000	\$ 200,000	\$ 180,760	\$ 2,588	\$ 2,839	\$ 251	9.7%
\$ 235,700	\$ 235,700	\$ 219,673	\$ 3,116	\$ 3,435	\$ 319	10.2%
\$ 300,000	\$ 300,000	\$ 289,760	\$ 4,068	\$ 4,507	\$ 439	10.8%
\$ 500,000	\$ 500,000	\$ 500,000	\$ 6,951	\$ 7,740	\$ 789	11.4%
\$ 700,000	\$ 700,000	\$ 700,000	\$ 10,328	\$ 11,504	\$ 1,176	11.4%
\$ 900,000	\$ 900,000	\$ 900,000	\$ 13,706	\$ 15,268	\$ 1,562	11.4%

Just as on the previous page, the property tax estimates shown in the table above are for total taxes in all taxing jurisdictions, including: Shoreview, Ramsey County, school districts, watershed districts, Metropolitan Council, Regional Rail and other metro-wide taxing jurisdictions.

Distribution of Property Tax Bill

About 21% of the total property tax bill goes to Shoreview. For 2012, the total tax bill on a \$235,700 Shoreview home located in the Mounds View School District is about \$3,435, and Shoreview’s share is \$731.

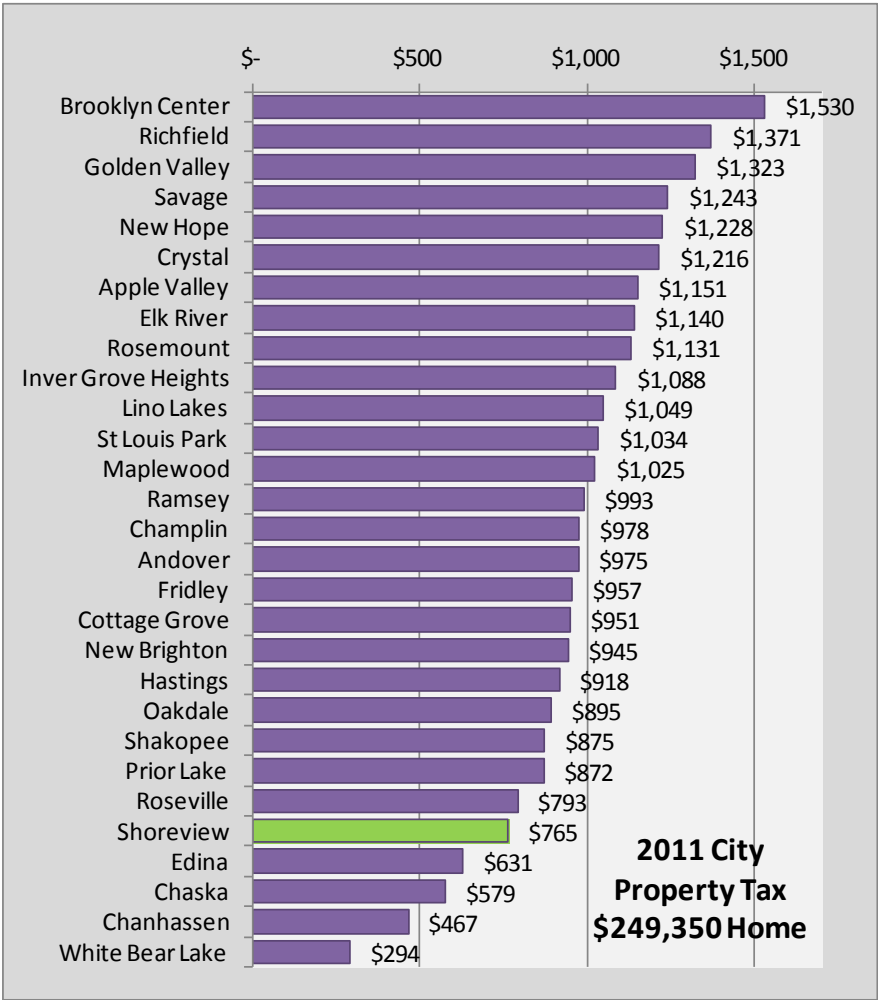
The pie chart below shows the total tax bill by jurisdiction (using preliminary tax rates). The Mounds View school district share is shown in two segments (\$639 for the regular levy and \$500 for referendum levies) for a total of \$1,139 because referendum levies are distributed using market values rather than taxable values.



For comparison purposes, the Roseville school district tax on a median home is \$832 (\$460 for the regular levy and \$372 for referendum levies), as compared to \$1,139 in the Mounds View district.

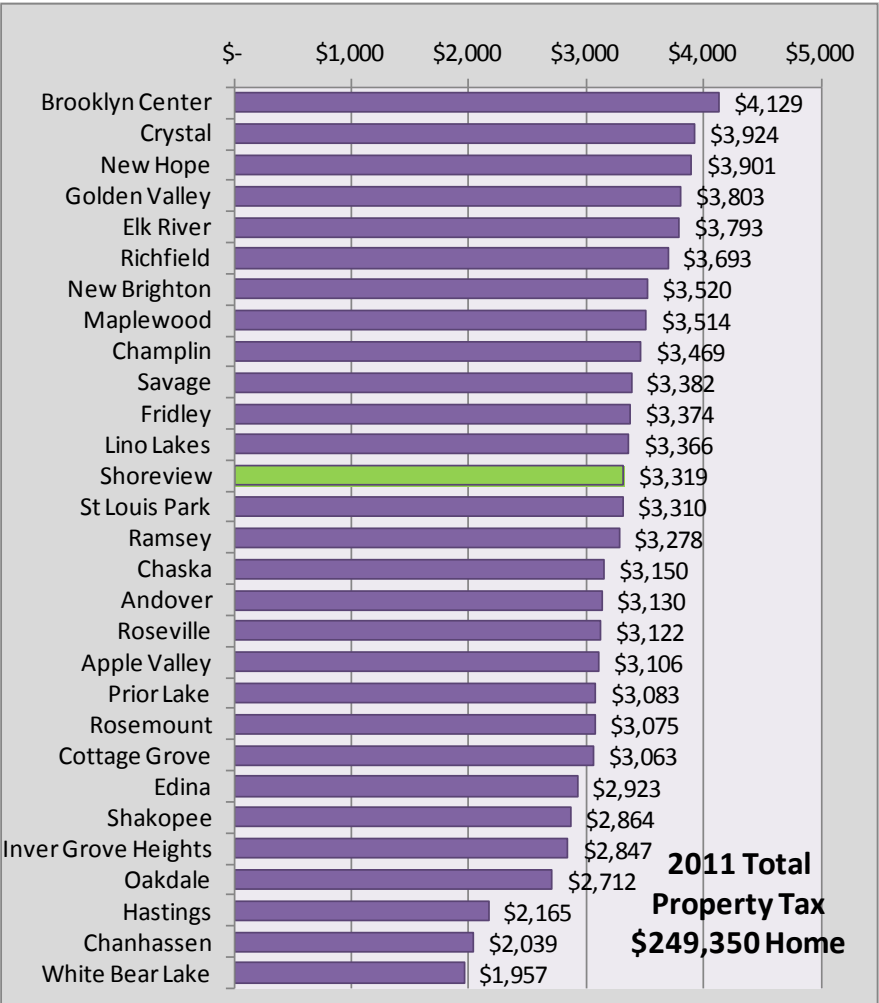
Property Tax Comparison - City Taxes

The graph below compares the 2011 City portion of the property tax bill for Shoreview and 28 other metro-area cities. All estimates are for a \$249,350 home value (Shoreview’s median value in 2011). Shoreview ranks 5th lowest, and is about 22% lower than the average of \$980. Note: These estimates do not include the allocation of market value homestead credits for 2011 because allocation of the credit varies from city to city. The 2011 credit on a median Shoreview home is \$38 (for a net 2011 City tax of \$727).



Property Tax Comparison - Total Taxes

The graph below compares the 2011 total property tax bill for Shoreview and 28 other metro-area cities. All estimates are for a \$249,350 home value (Shoreview’s median value in 2011). As shown, once the property taxes for all jurisdictions are combined, the total tax bill ranks close to the middle, and is about 3.5% above the average of \$3,207.



City Directory



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Public SafetyIn an emergency, dial 911
Ramsey County Sheriff, non-emergency.....(651) 484-3366

Lake Johanna Fire Dept, non-emergency.....(651) 481-7024



Community Benchmarks

How does Shoreview compare?

November 2011

City of Shoreview, Minnesota
4600 Victoria Street North
Shoreview, MN 55126

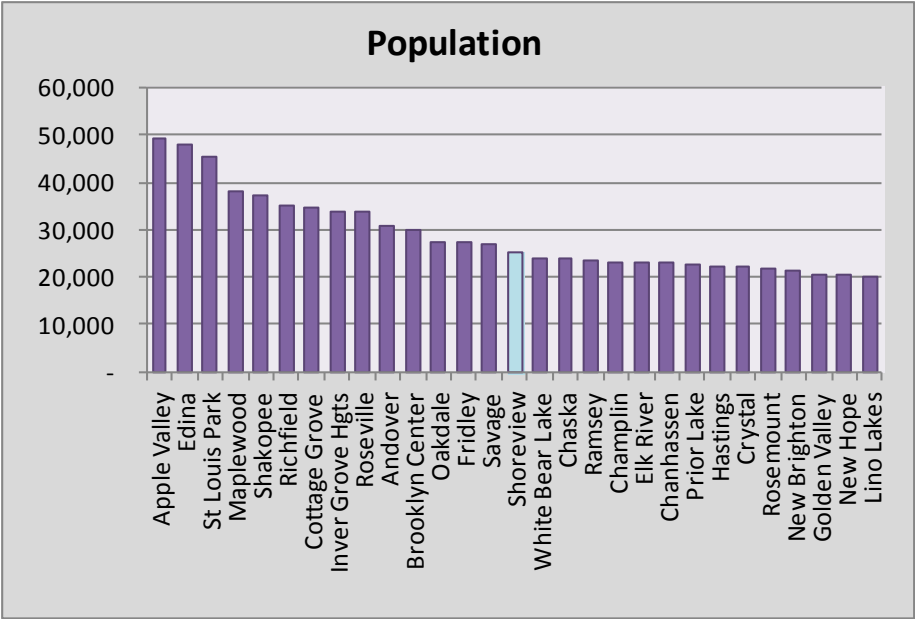
Introduction

Each fall the League of Minnesota Cities (LMC) publishes a report on City property values, tax levies, tax rates and state aid for the current year. In the spring of each year, the Minnesota Office of State Auditor (OSA) publishes an annual report on final City revenue, spending, debt levels and enterprise activity for two years earlier. The most recent LMC information is for the year 2011, and the most recent OSA information is for the year 2009.

Shoreview uses both the LMC and OSA information to evaluate how we compare to metro-area cities closest to Shoreview in size by selecting 14 cities larger and 14 cities smaller.

Population

The graph below contains the 2011 population reported for each of the cities in the comparison group. By design, Shoreview falls exactly in the middle.



City-Share of Property Taxes

A comparison of the City-share of the property tax bill for a \$249,350 home (Shoreview's median value) shows that the City ranks 5th lowest at \$765 (about 22% below the average of \$980). It is important to note that these tax estimates are before the market value homestead credit allocation of \$38 (for a net City tax of \$727), because the allocation varies between communities.



Tax Levy Ranking

Shoreview's tax levy rank (before market value credit cuts) has improved in the last 10 years in relation to comparison cities. For instance, in the year 2001 Shoreview ranked 18, and has dropped 2 positions to rank 20 in 2011. Shoreview's tax levy was 21.1% below the average of comparison cities in 2001, compared to 23.8% below the average for 2011.

2001		
Rank	City	Levy
1	Edina	\$ 14,438,771
2	Apple Valley	12,815,701
3	St Louis Park	10,354,979
4	Golden Valley	8,024,418
5	Maplewood	7,821,683
6	Brooklyn Center	7,512,837
7	Roseville	6,897,489
8	Richfield	6,537,688
9	Inver Grove Heigh	6,522,803
10	Chanhassen	6,215,004
11	Cottage Grove	6,177,571
12	New Hope	6,079,441
13	Rosemount	5,177,997
14	Oakdale	4,912,509
15	Lino Lakes	4,766,321
16	Hastings	4,762,462
17	Savage	4,684,064
18	Shoreview	4,617,369
19	Andover	4,548,876
20	Elk River	4,457,306
21	Fridley	4,205,159
22	Crystal	4,126,306
23	Shakopee	4,064,969
24	Prior Lake	3,923,417
25	Champlin	3,799,537
26	Ramsey	3,726,143
27	New Brighton	3,482,035
28	White Bear Lake	3,040,861
29	Chaska	1,975,041
Average		\$ 5,850,647
Shvw to Avg		-21.1%

2011		
Rank	City	Levy Before MVHC Cuts
1	Edina	\$ 25,174,000
2	St Louis Park	23,364,067
3	Apple Valley	21,036,001
4	Maplewood	16,785,754
5	Golden Valley	16,410,253
6	Richfield	16,330,772
7	Inver Grove Heigh	15,633,338
8	Savage	15,162,314
9	Shakopee	14,717,436
10	Roseville	13,878,068
11	Brooklyn Center	12,905,748
12	Cottage Grove	12,241,250
13	Hastings	11,263,990
14	Elk River	11,112,447
15	Rosemount	10,818,697
16	Andover	10,717,442
17	Fridley	10,195,151
18	Oakdale	9,980,087
19	Chanhassen	9,772,002
20	Shoreview	9,345,734
21	New Hope	9,229,405
22	Prior Lake	9,008,763
23	Crystal	8,988,830
24	Lino Lakes	8,660,077
25	Ramsey	8,128,869
26	Champlin	7,766,249
27	New Brighton	7,397,958
28	Chaska	4,880,352
29	White Bear Lake	4,665,990
Average		\$ 12,261,070
Shvw to Avg		-23.8%

Levy and State Aid

Shoreview receives no local government aid (LGA) to help support the cost of City services, and loses an additional \$350,000 of its adopted levy in 2011 due to state cuts to market value homestead credit. The table below shows the amount of LGA received by each comparison city, as well as the amount of LGA per capita. The highest city is White Bear Lake at \$64.40 of LGA per capita. Most comparison cities receive no LGA.

City	Local Govt Aid (LGA)	LGA Per Capita
White Bear Lake	\$ 1,532,448	\$ 64.40
Crystal	1,455,066	\$ 65.69
Richfield	1,218,346	\$ 34.58
Fridley	759,414	\$ 27.91
Brooklyn Center	411,378	\$ 13.67
New Hope	41,843	\$ 2.06
Chaska	37,441	\$ 1.58
Andover	-	\$ -
Apple Valley	-	\$ -
Champlin	-	\$ -
Chanhassen	-	\$ -
Cottage Grove	-	\$ -
Edina	-	\$ -
Elk River	-	\$ -
Golden Valley	-	\$ -
Hastings	-	\$ -
Inver Grove Heights	-	\$ -
Lino Lakes	-	\$ -
Maplewood	-	\$ -
New Brighton	-	\$ -
Oakdale	-	\$ -
Prior Lake	-	\$ -
Ramsey	-	\$ -
Rosemount	-	\$ -
Roseville	-	\$ -
Savage	-	\$ -
Shakopee	-	\$ -
Shoreview	-	\$ -
St Louis Park	-	\$ -

Tax Rates

Tax rates provide a useful comparison because they measure both levies and values (the levy is divided by the taxable value to compute the tax rate). Shoreview's tax rate has remained relatively constant in the last 10 years, ranking 7th lowest in 2001 and 6th lowest in 2011.

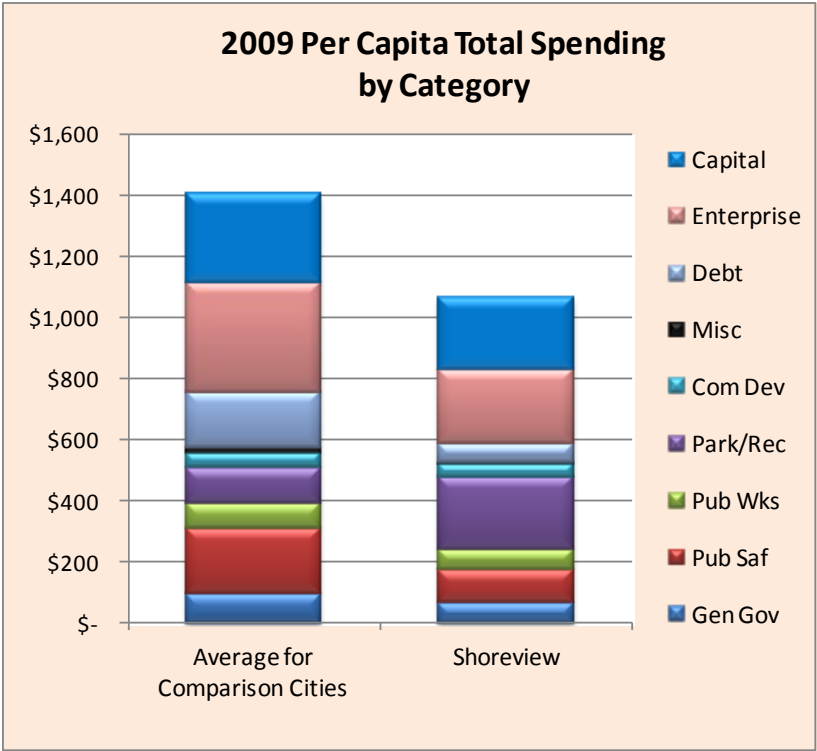
2001		
Rank	City	Tax Rate
1	Rosemount	36.55%
2	Brooklyn Center	36.05%
3	Lino Lakes	35.90%
4	New Hope	34.50%
5	Hastings	33.15%
6	Apple Valley	31.32%
7	Elk River	30.60%
8	Chanhassen	28.93%
9	Ramsey	28.01%
10	Cottage Grove	27.34%
11	Champlin	26.93%
12	Golden Valley	26.79%
13	Savage	26.56%
14	Prior Lake	26.41%
15	Crystal	25.87%
16	Richfield	25.85%
17	Inver Grove Heights	25.62%
18	Oakdale	25.00%
19	Andover	22.53%
20	St Louis Park	20.83%
21	New Brighton	20.40%
22	Maplewood	19.97%
23	Shoreview	18.73%
24	Roseville	18.52%
25	Shakopee	18.20%
26	Edina	17.23%
27	Fridley	16.41%
28	Chaska	16.14%
29	White Bear Lake	14.60%
Average		25.34%
Shvw to Avg		-26.1%

2011		
Rank	City	Tax Rate
1	Brooklyn Center	57.22%
2	Richfield	54.98%
3	Golden Valley	53.06%
4	New Hope	49.22%
5	Savage	48.28%
6	Crystal	47.35%
7	Elk River	45.72%
8	Rosemount	44.66%
9	Inver Grove Heights	43.61%
10	Apple Valley	42.39%
11	Lino Lakes	42.04%
12	St Louis Park	41.46%
13	Ramsey	39.80%
14	Champlin	39.21%
15	Maplewood	39.05%
16	Andover	38.54%
17	Cottage Grove	38.11%
18	New Brighton	37.88%
19	Fridley	37.01%
20	Hastings	36.80%
21	Oakdale	35.87%
22	Shakopee	34.73%
23	Prior Lake	30.71%
24	Shoreview	30.67%
25	Roseville	29.76%
26	Edina	24.66%
27	Chaska	23.21%
28	Chanhassen	17.73%
29	White Bear Lake	11.80%
Average		38.47%
Shvw to Avg		-20.3%

For 2011, Shoreview is about 25% below the average tax rate of 36.78%.

Total Spending Per Capita

Data obtained from the OSA each year helps Shoreview compare total spending per capita. The graph below contrasts the average spending per capita in 2009 for comparison cities along side the per capita spending in Shoreview. Shoreview’s total 2009 spending is about \$1,063 per capita, which is about 24% below the average of \$1,401.



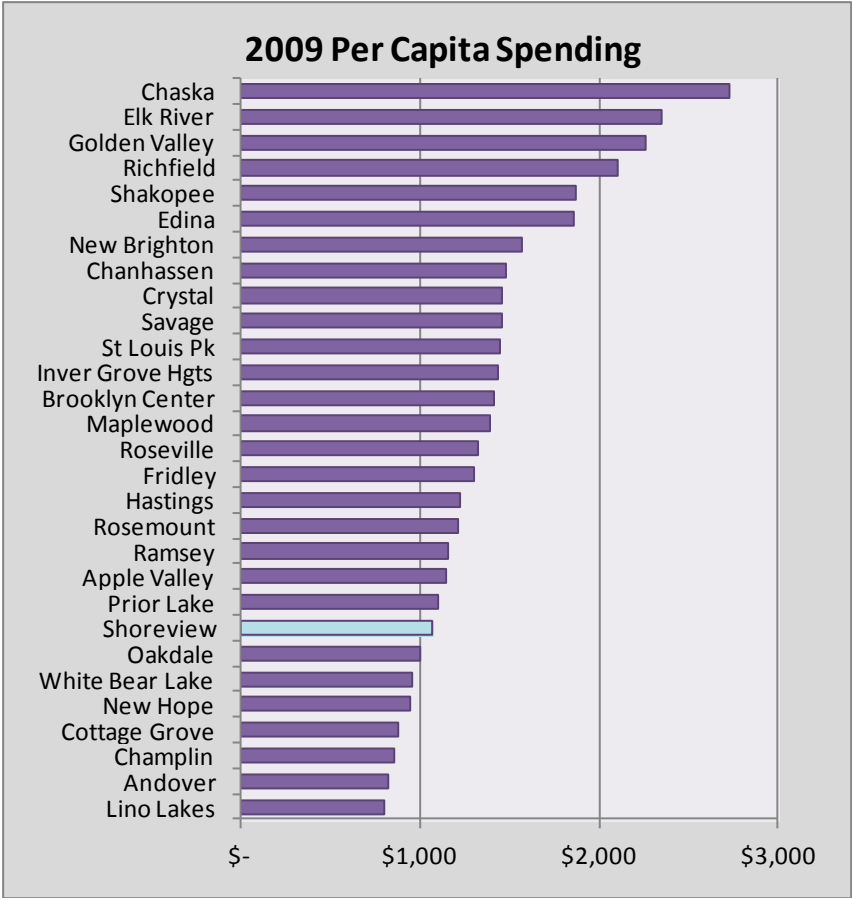
Spending Per Capita by Activity

When reviewing spending in more detail, Shoreview is below average in all activities except parks and recreation and traditional utility operations (water, sewer, storm and street lighting).

- Parks and recreation spending is higher due to the Community Center and Recreation Program operations (largely supported by user fees and memberships)
- Utility spending is higher due to differences in how cities account for storm sewer and street light operations. For instance, some cities support these operations with property tax revenue.
- Public safety spending in Shoreview is the lowest for all comparison cities, at \$106.84 per capita, due to the efficiencies gained by contracting for both police and fire protection.
- Debt payments are 65% below average in Shoreview because debt balances are lower than in comparison cities.

2009 Per Capita Spending	Average	Shoreview	Shoreview to Average	
			Dollars	Percent
General government	\$ 92.89	\$ 65.74	\$ (27.15)	-29.2%
Public safety	214.41	106.84	(107.57)	-50.2%
Public works	82.90	69.46	(13.44)	-16.2%
Parks	114.80	231.52	116.72	101.7%
Commun devel/EDA/HRA/Housing	48.65	46.39	(2.26)	-4.6%
All other governmental	16.39	4.33	(12.06)	-73.6%
Water/sewer/storm/st lights	231.64	242.12	10.48	4.5%
Electric	101.51	-	(101.51)	-100.0%
All other enterprise operations	22.97	-	(22.97)	-100.0%
Debt payments	184.34	63.77	(120.57)	-65.4%
Capital outlay	290.80	233.28	(57.52)	-19.8%
Total All Funds	\$ 1,401.29	\$ 1,063.45	\$ (337.85)	-24.1%

The graph below shows total 2009 spending per capita (spending divided by population) for all comparison cities. Spending levels range from a high of \$2,734 in Chaska to a low of \$802 in Lino Lakes.



Shoreview ranks 8th lowest at \$1,063 per capita, and is 24% below the average of \$1,401.

Revenue Per Capita by Source

Shoreview is below average for every revenue classification in 2009 except charges for services and traditional utility revenue. Recreation program fees and community center admissions and memberships cause Shoreview to collect charges for service revenue well above average. Shoreview is 2nd lowest for special assessments, and lowest for state aid (from all sources combined), and other governmental revenue, while remaining more than 21% below average in property taxes.

2009 Per Capita Revenue	Average	Shoreview	Shoreview to Average	
			Dollars	Percent
Property tax	\$ 405.01	\$ 319.72	\$ (85.29)	-21.1%
Tax increment (TIF)	82.70	77.56	(5.14)	-6.2%
Franchise tax	16.00	10.84	(5.16)	-32.2%
Other tax	1.45	0.59	(0.86)	-59.3%
Special assessments	50.27	10.05	(40.22)	-80.0%
Licenses & permits	23.78	14.25	(9.53)	-40.1%
Federal (all combined)	27.45	-	(27.45)	-100.0%
State (all combined)	66.83	13.29	(53.54)	-80.1%
Local (all combined)	23.40	2.32	(21.08)	-90.1%
Charges for service	118.33	191.59	73.26	61.9%
Fines & forfeits	8.17	2.15	(6.02)	-73.7%
Interest	20.24	6.95	(13.29)	-65.7%
All other governmental	32.69	6.91	(25.78)	-78.9%
Water/sewer/storm/street lighting	229.79	256.28	26.49	11.5%
Electric enterprise	109.97	-	(109.97)	-100.0%
All other enterprise	27.56	-	(27.56)	-100.0%
Total Revenue per capita	\$ 1,243.66	\$ 912.50	\$ (331.16)	-26.6%

The combined results for property tax and special assessments is striking because Shoreview's long-term strategy for the replacement of streets shifts a greater burden for replacement costs to property taxes and away from special assessments. Shoreview's Comprehensive Infrastructure Replacement Policy states that "the City, as a whole, is primarily responsible for the payment of replacement and rehabilitation costs".

Shoreview's policy states that "the maximum cost to be assessed for any reconstruction and/or rehabilitation improvements is limited to the cost of added improvements", meaning property owners pay for an improvement only once via assessments. This practice is uncommon among comparison cities.

In order to achieve this result, Shoreview estimates replacement costs for a minimum of 40 years and identifies the resources (tax levies and user fees) necessary to support capital replacement costs well in advance. To comply with the policy requirements, Shoreview prepares an annual Comprehensive Infrastructure Replacement Plan (CHIRP).

This practice would seem to suggest that property taxes would be higher in Shoreview to generate the resources needed to fund capital replacements, but this is not the case. The tables and graphs provided on previous pages in this document illustrate that Shoreview remains not only competitive but ranks consistently lower than comparison cities.

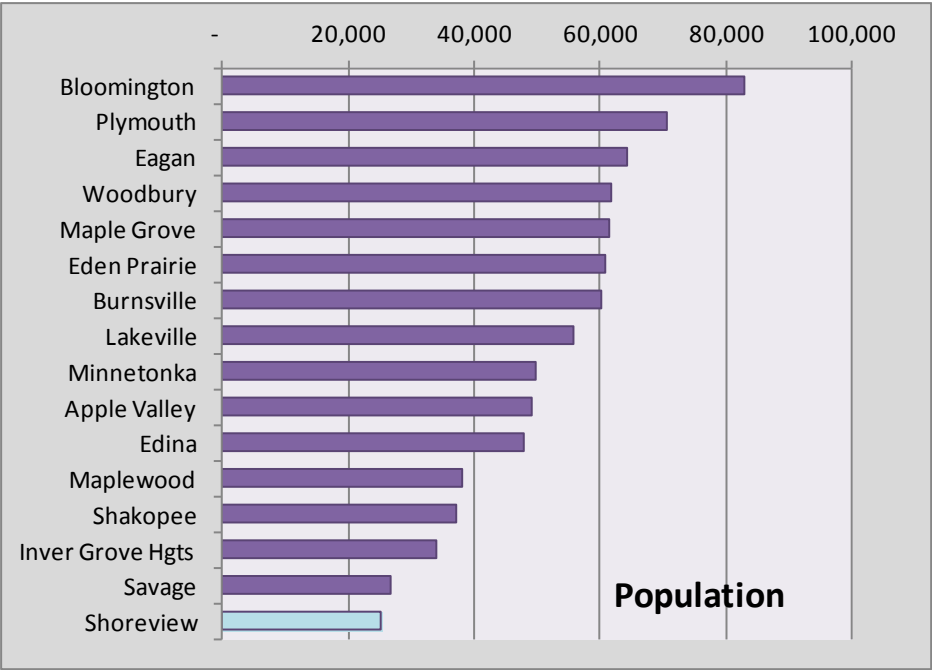
- Shoreview's 2009 spending per capita ranks 8th lowest
- Shoreview's assessment collections per capita are the lowest among all comparison cities
- Shoreview's share of the 2011 property tax bill, on a home valued at \$249,350, is 5th lowest
- Shoreview receives no state aid (LGA) to help pay for city services and reduce the property tax burden
- Shoreview's tax rate has remained stable and low in relation to comparison cities, dropping one rank position from the year 2001 to 2011

In short, Shoreview's long-term capital replacement planning has allowed the city to keep pace with replacement needs, and strongly limit the use of assessments while keeping property taxes lower than most comparison cities.

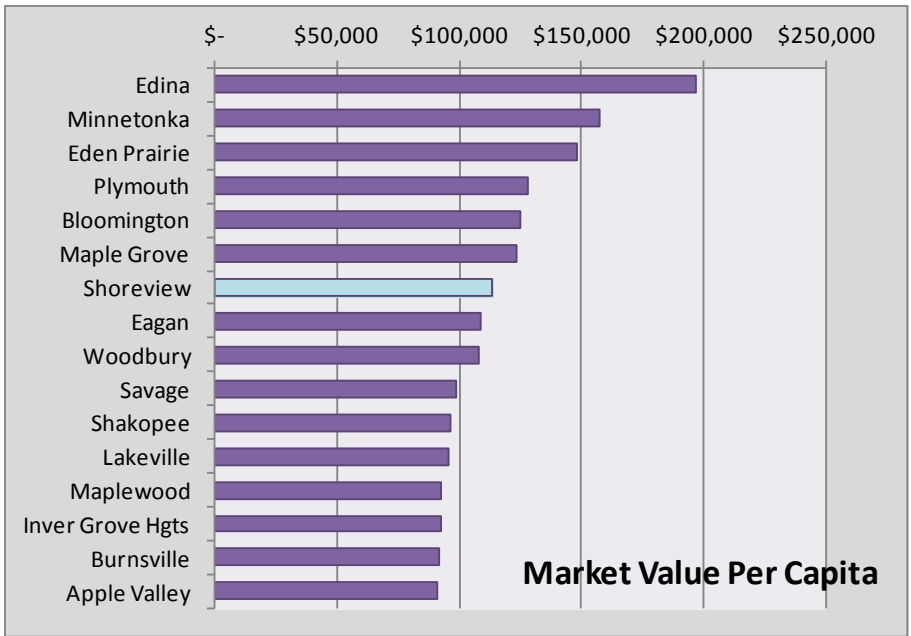
Comparison to MLC Cities

Shoreview also prepares comparisons to cities belonging to the Municipal Legislative Commission (MLC). These 16 cities provide an important comparison because many achieve high quality-of-life rankings from their residents in their respective community surveys, and are often recognized as having sound financial management. In fact, most of the 16 cities have AAA bond ratings, as does Shoreview.

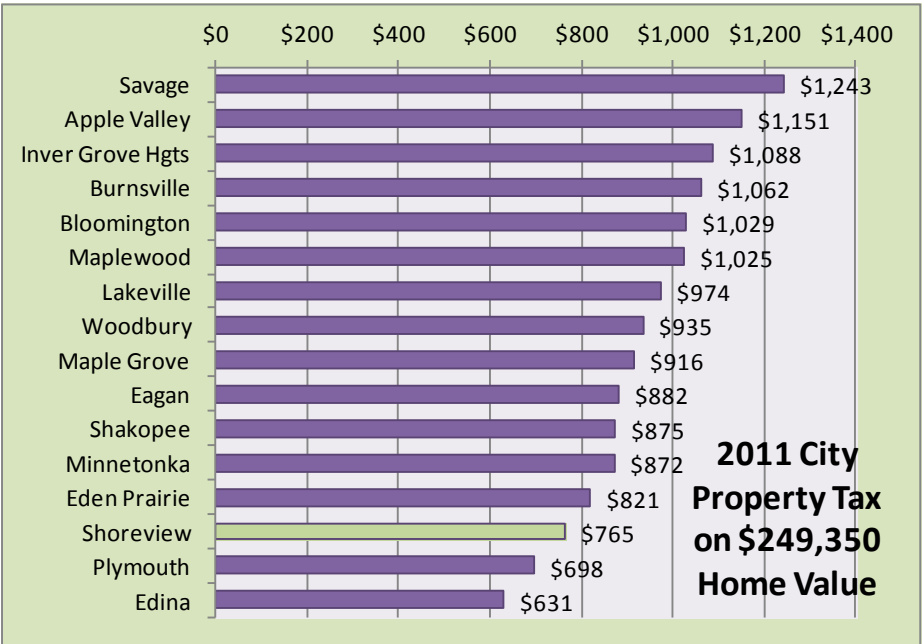
Shoreview has the smallest population in the group, and is roughly half of the average for the group.

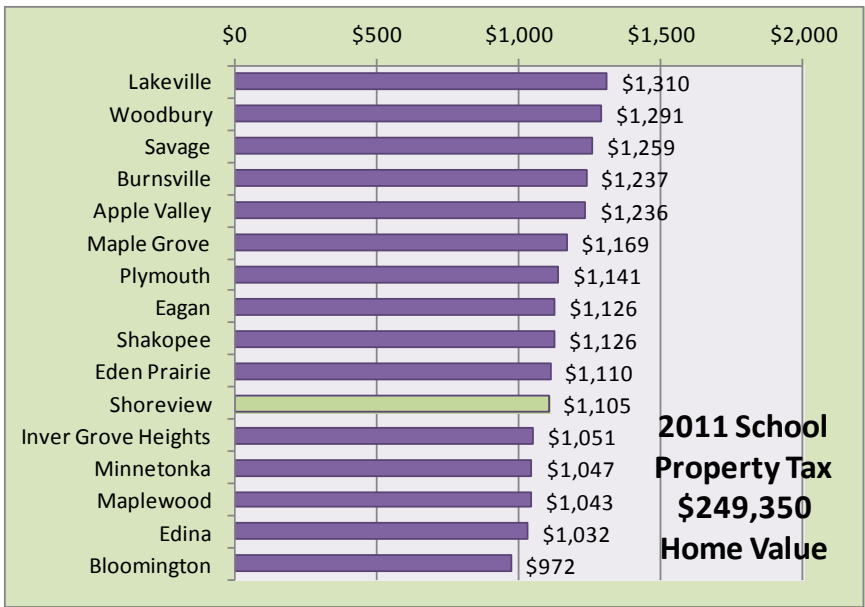


Market Value comparisons are most useful when viewed on a per capita basis, because the geographic size of each community varies. The graph at the top of the next page shows the market value per capita for each MLC city, with Shoreview in the middle of the group (about 2.7% below average).

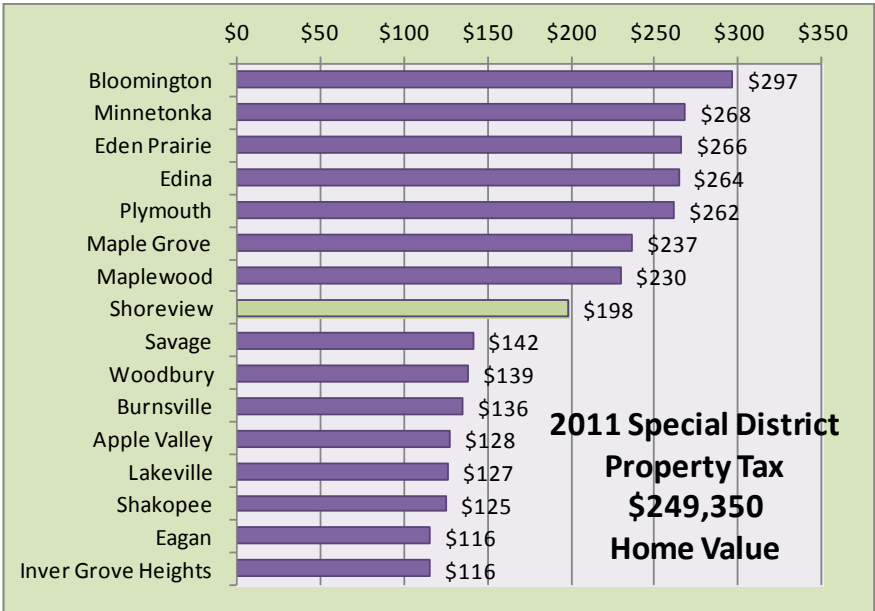


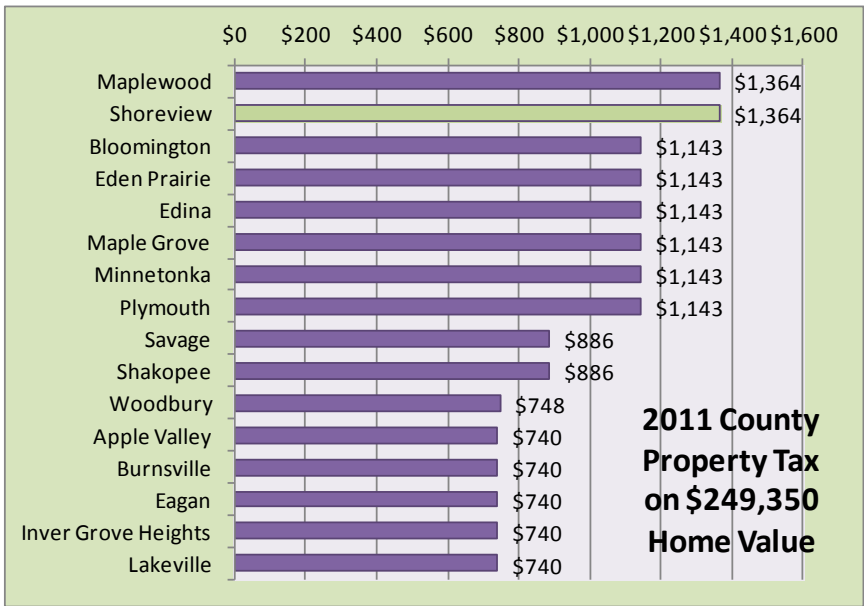
Median Home Tax - Perhaps the most revealing comparisons come from examining the property tax by component unit. The graph below shows the city share of the tax bill on a \$249,350 home (the median value in Shoreview). Shoreview ranks 3rd lowest at \$765, compared to a high of \$1,243 in Savage.



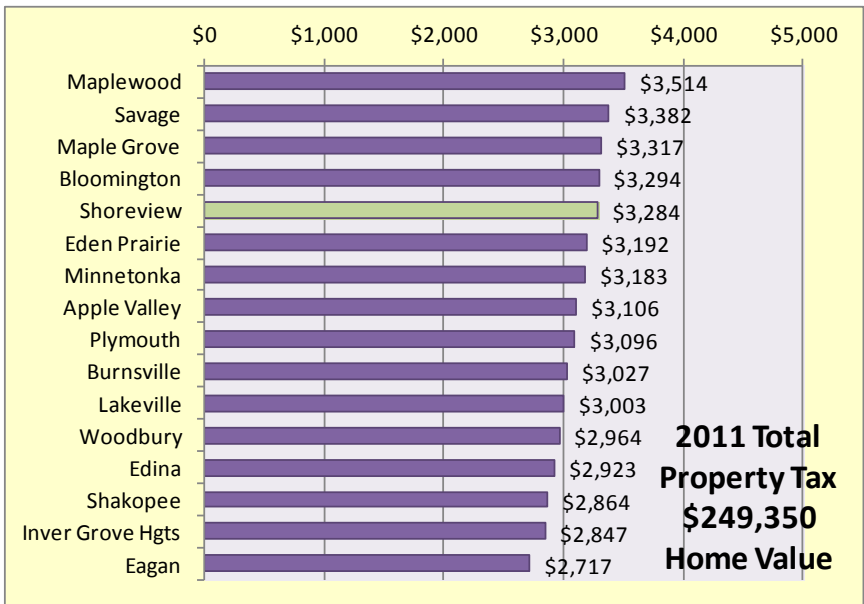


School District property taxes (Mounds View) rank about 3% below average in Shoreview (see graph above), while the combined taxes for Special Districts rank 4% above the average (see graph below).





County property taxes for cities located in Ramsey County (including Shoreview) rank 38% above average (see graph above). Total taxes in Shoreview rank 5th highest among MLC cities (see graph below). Note: the average school district tax is used for Shoreview, and the total tax estimate includes the \$148 homestead credit allocated to all taxing jurisdictions.



Summary

Additional information on the City's budget, capital improvement program and tax levy will be made available in late November on the City's website and at city hall.

The budget hearing on the City's 2012 Budget is scheduled for December 5, 2011 at 7:00 p.m., in conjunction with the first regular Council meeting in December.

Adoption of the final tax levy, budget, capital improvement program, utility rates and Five-year Operating Plan fund balance goals and targets is scheduled for December 19, 2011 (the second regular Council meeting in December).

Other informational booklets on City operations that will be available in December include:

- Budget and Capital Improvement Summary
- Utility Operations
- Property Tax System

This document was prepared by the City's finance department.





Utility Operations and 2012 Recommended Utility Rates



Water,
Sewer,
Surface Water, and
Street Lighting

What is safe tap water worth to you?

We turn on the tap every day for water to support our daily lives. Our water towers and the pipes below the streets need constant attention to keep water flowing at the right pressure without fail. Consistent access to a safe water supply helps:

- Keep us healthy
- Fight fires
- Support our economy
- Enhance our high quality of life

The revenue generated by our water bills keep the system strong and reliable, and supports maintenance and replacement of the water system.

Ensuring continued access to safe water also involves the proper collection and treatment of waste water (sewage), and it doesn't stop there. In order to protect the quality of our lakes and streams it is also necessary to properly collect and direct storm water through the use of storm systems and ponds, and by removing debris in the form of sand and salt from roadways.

The process of protecting our varied and numerous water assets requires a coordinated effort to manage each of the resources carefully and to comply with increasing regulations that govern these activities. This document is intended to provide an overview of Shoreview's utility systems and utility rates in an effort to describe what it takes to run the City's utility operations.

Water Operations

Shoreview's water system provides drinking water to about 9,000 homes and businesses within City limits, and provides limited service (at higher billing rates) to neighboring communities through service agreements.

The City's water system includes:

- 1,318 water hydrants
- 6 wells
- 2 elevated storage tanks (water towers)
- 1 underground water reservoir
- 103 miles of water lines

In recent years watering restrictions have become necessary to reduce the peak in daily demand for water, and to more evenly spread water use over different days. This enables the City to avoid the high cost of constructing additional wells and water storage capacity.

Operating and maintaining the system so that water is available at any time requires managing the following activities:

- Produce and store water
- Treat water (including a future water treatment facility)
- Operate distribution pumps
- Flush water mains (semi-annually)
- Repair, replace and maintain water system infrastructure
- Read meters (quarterly) and replace meters as needed
- Sample and test water per Department of Natural Resources and Minnesota Department of Health requirements

Hydrant flushing is performed by utility maintenance crews each spring and fall to remove mineral buildup in the system and to ensure the reliability of hydrants and water valves. The systematic and controlled flushing of the system improves the overall quality of water, assists in overall system maintenance, helps remove sediments and stale water, and maintains chlorine residuals.

The City is planning for the potential addition of a water treatment plant in 2016 to address rising levels of iron and manganese in the City's wells. Even though iron and manganese are not considered harmful to health, they can cause esthetic, taste and odor problems within the water system.

Water Rates

Minnesota law requires the City to bill all water customers on a conservation-based rate structure (tiered rates). Further, the law requires billing each residential unit the same allocation of gallons per tier at the same water rates. This means that apartments and condominiums are billed the same rates and with the same allocation of gallons per unit as single-family homes.

Residential water rates are set in 2 components: a quarterly availability charge of \$13 (up \$2 from 2011), and 4 tiered rates for water used in the preceding quarter. Tiered rates for 2012 are shown at right:

Residential Water Rates (quarterly)		
Water Tiers	Cost Per Thousand Gallons	Gallons Per Penny
Tier 1 (5,000 gal per unit)	\$ 1.04	9.6
Tier 2 (5,000 gal per unit)	\$ 1.77	5.6
Tier 3 (20,000 gal per unit)	\$ 2.36	4.2
Tier 4 (remaining water)	\$ 3.84	2.6

- The first 5 thousand gallons per unit is billed at \$1.04 per thousand gallons (about 9.6 gallons for each penny).
- The second 5 thousand gallons per unit is billed at \$1.77 per thousand (about 5.6 gallons for each penny).
- The next 20 thousand gallons per unit is billed \$2.36 per thousand gallons (about 4.2 gallons for each penny).
- Remaining water is billed at the highest rate of \$3.84 per thousand gallons (about 2.6 gallons for a penny).

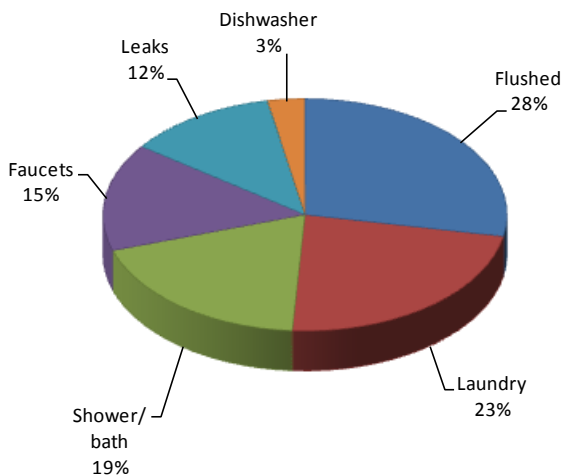
Commercial customers are billed the same tiered rates, excluding the lowest tier (which is for residential customers only).

Compared to bottled water, tap water is remarkably inexpensive. For instance, a gallon of self-serve spring water costs about 30-cents while 30-cents buys 288 gallons of Shoreview tap water at the lowest tier, and buys 78 gallons at the highest tier. Even at Shoreview’s highest water tier, 1-cent buys 2.6 gallons of tap water.

Household Water Use

According to the American Water Works Association (AWWA), about half of household water use is from flushing and laundry.

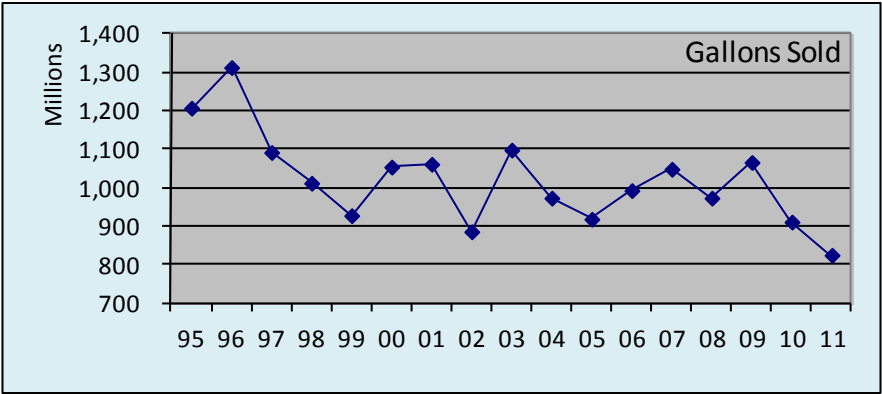
The pie chart at right illustrates average household water consumption. Some easy ways to reduce water consumption include:



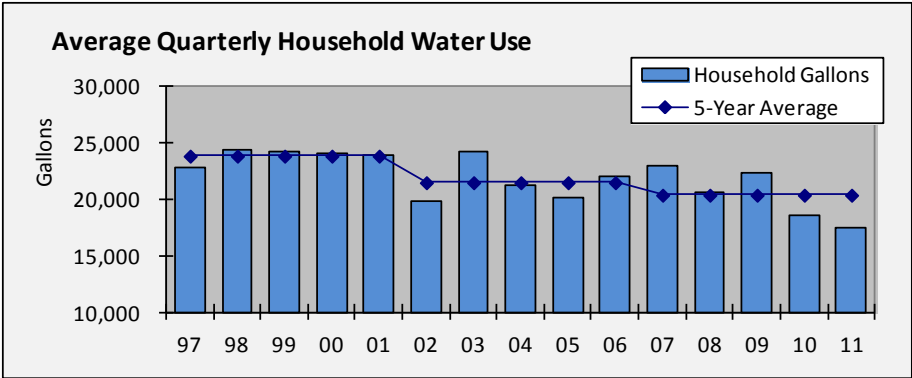
- Turn the water off while washing dishes by hand
- Run the clothes washer only when full, or get a high efficiency washing machine
- Use a water-efficient shower head (saves 750 gallons a month)
- Shorten shower time (1 to 2 minutes shorter saves 25 gallons a month)
- Upgrade older toilets with water efficient models
- Use sprinklers that deliver big drops of water close to the ground because smaller water drops and mist often evaporate before they hit the ground
- Adjust sprinklers so only the lawn is watered, and not the house, sidewalk or street
- Water the lawn and garden in the morning or evening when temperatures are cooler to minimize evaporation
- Check soil moisture to determine when to water rather than following a set watering schedule
- Set a timer when watering, as a reminder to stop, because a running hose can discharge up to 10 gallons a minute
- Adjust the lawn mower to a higher setting, allowing longer grass to shade the root system and hold soil moisture better

Water Use Trends

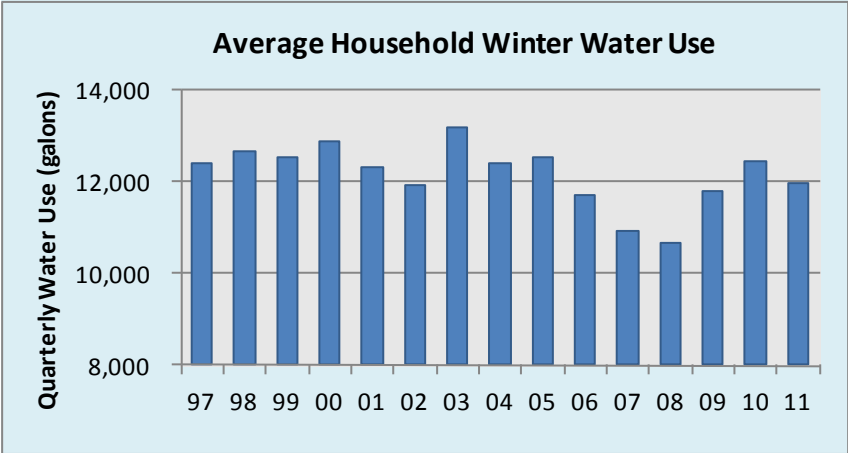
Water use fluctuates from year to year, primarily due to differences in rainfall. About 50% of the water sold is consumed during the four months of the growing season.



Other factors that reduce household water use include water conservation efforts, an aging population, new plumbing fixtures, and fewer people per household. The graph below shows average quarterly water consumption per home (estimated gallons are shown for 2011). Because this graph shows total average consumption throughout the year, both rainfall and water conservation efforts impact these results.



Examining winter water consumption is the easiest way to measure inside household water use (without the impact of summer watering). The graph below shows the decline in average quarterly winter water use over more than a decade.



The winter average in the last 5 years is about 6% lower than in the previous 5-year period. Even though water conservation protects the long-term viability of the City’s water source, it also means that water revenues decline in some years despite an increase in water rates. If the downward water trend in water use continues, existing customers need to pay more for the same level of service in order to sufficiently cover ongoing operating costs.

Water System Assets

It cost approximately \$24 million to build the City’s water system, which results in annual depreciation expense of \$630,000 for 2012. In the last 5 years the water fund has spent \$4.7 million on water system repairs, replacements, improvements to system controls and water meter replacement. Over the next 5 years the City expects to spend \$1.9 million on water system assets, plus the addition of a \$9 million water treatment facility. Other capital costs are primarily repairs and maintenance of existing assets (wells, towers and water lines).

Water Budget

Water rates are set with the knowledge that predicting water income is far more difficult than predicting expense and capital costs. In setting rates the City expects fluctuations in water consumption from year to year, and therefore expects a net loss in some years and a net profit in others. The rate setting process is designed to make gradual changes in rates whenever possible, focusing on a long-term strategy.

The table below provides a 4-year history of water fund activity. As shown, in 3 of the last 4 years the City's water fund ended with a net loss (excluding the value of contributed assets). This means water income was not sufficient to offset operating costs.

Operating Summary	2008 Actual	2009 Actual	2010 Actual	2011 Estimate
Revenue				
Special Assessments	\$ 1,317	\$ 1,650	\$ 1,113	\$ -
Intergovernmental	-	-	557	13,370
Utility Charges	1,914,643	2,209,772	1,963,342	2,078,500
Interest Earnings	112,657	56,635	32,722	50,000
Other Revenues	4,400	14,408	44,846	-
Total Revenue	2,033,017	2,282,465	2,042,580	2,141,870
Expense				
Enterprise Operations	1,329,618	1,245,066	1,339,306	1,432,867
Miscellaneous	362	-	-	-
Debt Service	126,890	197,535	192,894	205,944
Depreciation	465,963	476,849	543,688	605,000
Total Expense	1,922,833	1,919,450	2,075,888	2,243,811
Other Sources (Uses)				
Transfers Out	(120,000)	(130,000)	(151,037)	(225,000)
Net Change	(9,816)	233,015	(184,345)	(326,941)

Once lower water consumption becomes a trend rather than a temporary fluctuation, it becomes necessary to adjust rates more significantly to close the gap between income and expense.

The table below shows estimated water fund activity for the 2012-2013 biennial budget. Both years are based on the expectation that water consumption will continue at current levels.

Operating Summary	2012 Budget	2013 Budget
Revenue		
Special Assessments	\$ -	\$ -
Intergovernmental	13,200	12,940
Utility Charges	2,468,800	2,564,000
Interest Earnings	55,000	55,000
Other Revenues	-	-
Total Revenue	2,537,000	2,631,940
Expense		
Enterprise Operations	1,455,461	1,488,456
Miscellaneous	-	-
Debt Service	184,287	171,435
Depreciation	630,000	637,000
Total Expense	2,269,748	2,296,891
Other Sources (Uses)		
Transfers Out	(240,000)	(262,500)
Net Change	27,252	72,549

Over the next 5 years, significant water system costs include:

- Add water booster station in the Weston Woods area to increase water pressure
- Update SCADA system software
- Install natural gas/alternate power backup for well #6
- Add water treatment plant to address rising levels of iron and manganese in the City's water supply
- Replace roofs on booster station and well #5
- Repair and replace water lines

Sewer Operations

Shoreview operates a sanitary sewer system that collects and directs waste water discharged from homes and businesses throughout the City. The City’s sewer system includes:

- 17 lift (pumping) stations
- 108 miles of sanitary sewer lines
- 2,500 manholes

Operating and maintaining the sewer system so that it functions adequately and consistently includes:

- Operating, maintaining and inspecting lift stations daily
- Treating collected sewage (performed by Metropolitan Council Environmental Services)
- Relining sewer pipes
- Replacing, repairing and maintaining sewer system infrastructure
- Inspecting manholes
- Cleaning sewer lines

Sewer Rates

Residential sewer charges will remain the same for 2012. Sewer rates are set in 2 components: a quarterly sewer availability charge of \$35.76 per unit and 5 tiered rates for water used in the winter quarter (because winter water use provides the best measure of water entering the sewer lines). The sewer availability charge is billed regardless of whether sewer discharge occurs because the City must maintain, repair, operate and replace the sewer system.

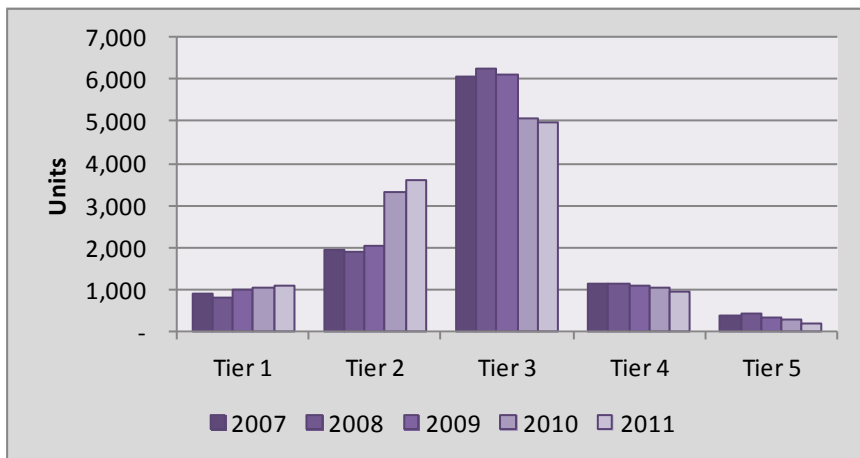
Tiered rates for 2012 are shown in the table at right, and are described at the top of the next page.

Residential Sewer Rates (quarterly)	
Sewer Tiers	Sewer Tiers
Tier 1 (up to 5,000 gal per unit)	\$ 15.11
Tier 2 (5,001-10,000 gal per unit)	\$ 26.02
Tier 3 (10,001-20,000 gal per unit)	\$ 39.90
Tier 4 (20,001-30,000 gal per unit)	\$ 54.26
Tier 5 (more than 30,000 gal per unit)	\$ 70.50

- Tier 1— homes using up to 5 thousand gallons in the winter quarter pay \$15.11 per quarter.
- Tier 2— homes using between 5 and 10 thousand gallons in the winter quarter pay \$26.02 per quarter.
- Tier 3— homes using between 10 and 20 thousand gallons in the winter quarter pay \$39.90 per quarter.
- Tier 4— homes using between 20 and 30 thousand gallons in the winter quarter pay \$54.26 per quarter.
- Tier 5— homes using more than 30 thousand gallons in the winter quarter pay \$70.50 per quarter.

Sewer rates are designed to reward low volume customers and to charge high volume customers more because they contribute more flow to the sewer system. Further, rates are designed to treat single-family homes and multi-family units equally by establishing the multi-family cost on a per unit basis.

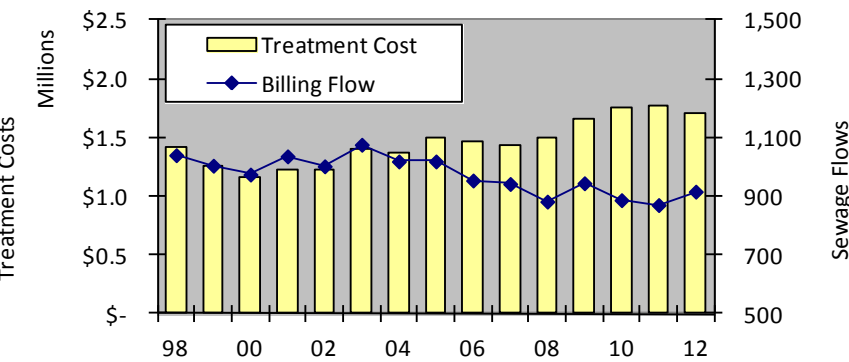
The graph below illustrates the number of residential sewer customers billed in each of the 5 sewer tiers over the last 5 years. As shown, the majority of homes are billed at tier 3, and the fewest number of homes are billed at tier 5. The number of customers billed in the first 2 tiers is rising, while the number of customers in tiers 3 through 5 is declining. The large increase in tier 2 for 2010 is the result of shifting apartments to the residential rate structure (as required by state law).



Sewage Treatment

Sewage is collected in City-owned sanitary sewer mains and is routed or pumped into facilities owned and operated by the Metropolitan Council Environmental Services Division (MCES). Sewage flows are monitored and metered by MCES for the purpose of determining the City’s sewage treatment costs. These costs are dependent on the amount of flow contributed to the system, and therefore water use impacts the City’s sewage treatment costs.

Unfortunately, even when sewage flow declines (as it has since 2003) sewage treatment costs don’t necessarily follow because the rate charged by the MCES continues to rise. As shown in the table below, sewage flow has declined in recent years, while sewage treatment costs have risen in most years. Fortunately, a slight decline in sewage treatment costs for 2012 has allowed the City to hold sewer rates constant for 2012.



Sewage flows can also be impacted by groundwater infiltration and storm water inflow, particularly during periods of heavy downpours. Cracks in sewer lines, openings in manholes, and illegal connections of roof drains and/or sump pumps to the sewer system allow water to flow directly into sewer pipes, which in turn drives up sewer flows and sewage treatment costs.

In an effort to reduce sewage flow, the City is actively working to evaluate sewer lines and to utilize sewer relining to repair lines more cost effectively. The City also completed a commercial roof and residential sump pump inspection program to eliminate illegal discharges into the sewer system.

The table at right provides an 8-year summary of the City's sewage treatment costs. The sewage flow used for the 2012 bill is 10% lower than 2005 flows. Conversely, the 2012 rate per million gallons is 27% higher than in 2005. The net result is a sewage treatment bill that is \$1,699,000 (14% higher than in 2005). If sewage flows had continued to grow, the cost would have been even higher.

Year	Billing Flow (millions)	Rate Per Million Gallons	Annual Cost (millions)
2005	1,019	\$ 1,465	\$ 1.492
2006	955	\$ 1,543	\$ 1.472
2007	943	\$ 1,527	\$ 1.438
2008	883	\$ 1,697	\$ 1.497
2009	945	\$ 1,754	\$ 1.657
2010	888	\$ 1,981	\$ 1.758
2011	871	\$ 2,026	\$ 1.764
2012	917	\$ 1,854	\$ 1.699

Since 2007 the MCES has considered charging an inflow/infiltration surcharge for the estimated increase in sewage flows generated by ground water infiltration. So far, Shoreview has avoided this cost because of the City's efforts to reduce inflow and infiltration of ground and storm water into the system.

Sewer System Assets

It cost approximately \$12 million to build the City's sanitary sewer system, which results in annual depreciation expense of \$300,000 for 2012. In the last 5 years the sewer fund has spent \$2.2 million on sewer system repairs, replacements, improvements to system controls and new sewer lines. Over the next 5 years the City expects to spend \$1.1 million on sewer system repairs and replacements.

Sewer Budget

Even though establishing sewer rates and predicting sewer revenue is somewhat easier than predicting water revenue, because winter water consumption is used to determine residential sewer charges, the decline in water use also impacts sewer revenue. The gradual decline in winter water use is shifting more customers into lower sewer tiers.

The table below provides a 4-year history of sewer fund activity. In each of the last 4 years the City's sewer fund ended with a net loss (excluding the value of contributed assets). This means that sewer income was not sufficient to offset expense.

Operating Summary	2008 Actual	2009 Actual	2010 Actual	2011 Estimate
Revenue				
Special Assessments	\$ 1,434	\$ 1,863	\$ 1,092	\$ -
Intergovernmental	-	-	444	10,650
Charges for Services	511	180	2,365	200
Utility Charges	2,847,055	3,149,424	3,250,742	3,509,500
Interest Earnings	74,581	35,907	19,357	25,000
Other Revenues	-	138	-	-
Total Revenue	2,923,581	3,187,512	3,274,000	3,545,350
Expense				
Enterprise Operations	2,590,220	3,013,765	2,869,607	2,996,432
Miscellaneous	362	-	-	-
Debt Service	34,913	50,950	57,495	77,228
Depreciation	251,630	265,557	279,711	305,000
Total Expense	2,877,125	3,330,272	3,206,813	3,378,660
Other Sources (Uses)				
Transfers Out	(120,000)	(120,000)	(127,037)	(187,000)
Net Change	(73,544)	(262,760)	(59,850)	(20,310)

Rates are designed to change gradually whenever possible, focusing on a long-term strategy. However, as lower consumption becomes a trend, it may become necessary to charge higher rates for the same level of service to offset operating expenses.

The table below shows estimated sewer fund activity for the 2012-2013 biennial budget. Both years are based on the expectation that water consumption will continue at current levels.

Operating Summary	2012 Budget	2013 Budget
Revenue		
Special Assessments	\$ -	\$ -
Intergovernmental	10,515	10,310
Charges for Services	200	200
Utility Charges	3,506,500	3,611,500
Interest Earnings	25,000	30,000
Other Revenues	-	-
Total Revenue	<u>3,542,215</u>	<u>3,652,010</u>
Expense		
Enterprise Operations	2,942,296	3,055,226
Miscellaneous	-	-
Debt Service	72,843	68,884
Depreciation	300,000	310,000
Total Expense	<u>3,315,139</u>	<u>3,434,110</u>
Other Sources (Uses)		
Transfers Out	<u>(188,000)</u>	<u>(196,500)</u>
Net Change	<u>39,076</u>	<u>21,400</u>

Over the next 5 years, significant sewer system costs include:

- Repair and replace sewer lines
- Repair and replace sewer lines in conjunction with the 2012 Street Renewal project
- Televising and relining sewer lines
- Rehabilitate 3 lift stations

Surface Water Operations

The City of Shoreview maintains a storm water system that collects and directs storm water runoff and provides protection for surface and ground water quality. The City's surface water system includes:

- 5 storm water lift (pumping) stations
- 200 storm water ponds
- 485 storm inlets/outlets
- 35 miles of storm lines
- 50 structural pollution control devices

The purpose of the surface water management program is to preserve and use natural water storage and retention systems as much as is practical to reduce the amount of public capital expenditures necessary to:

- Control excessive volumes and runoff rates
- Improve water quality
- Prevent flooding and erosion from surface water flows
- Promote ground water recharge
- Protect and enhance fish and wildlife habitat and water recreational facilities (lakes, etc.)

The City's surface water management program seeks to prevent flooding and improve ground water quality through the best possible utilization of wetlands and artificial detention areas. Wetland management allows the City to maintain the integrity of its wetlands, improve water quality and reduce City maintenance efforts. Emphasis is placed on both sediment removal and storm water infiltration, as the primary methods of water quality improvement.

Operating the surface water system includes these activities:

- Maintain, inspect, replace and improve storm sewer systems (including storm lines)
- Maintain storm sewer lift stations (pumping stations)
- Maintain and inspect storm water ponds
- Construct new storm water ponds
- Collect debris from City streets through street sweeping
- Provide technical support to water management organizations
- Implement Surface Water Management Plan

Surface Water Rates

Surface water charges are set by type of property, considering the amount of impervious surface typically present (in an attempt to address varying levels of rainfall runoff). The table below shows 2012 surface water rates for all classes of property.

Townhomes pay a slightly higher rate because they have more impervious surface area and therefore generate more rainfall runoff.

Surface Water Rates (quarterly)		
Property Type	Rate	Basis
Residential	\$ 17.57	per unit
Townhomes	\$ 18.61	per unit
Condo, apartment, commercial, industrial, school, church	\$ 146.94	per acre

Surface Water System Assets

It cost approximately \$11 million to build the City’s storm sewer system, which results in annual depreciation expense of \$218,000 for 2012. In the last 5 years the surface water fund has spent \$2.6 million on storm system repairs, replacements, and improvements (including pond development). Over the next 5 years the City expects to spend \$2.8 million on a combination of storm system repairs, replacement, new pond construction and storm system improvements.

Surface Water Management Budget

The table below provides a 4-year history of surface water fund activity. As shown, the surface water fund has ended 2 of the last 4 years with a net loss (excluding the value of contributed assets). This has been largely due to higher repair and maintenance costs.

	2008	2009	2010	2011
	Actual	Actual	Actual	Estimate
Revenue				
Special Assessments	\$ 859	\$ 937	\$ 534	\$ -
Intergovernmental	50,000	-	161	3,860
Utility Charges	749,109	808,176	925,620	1,011,709
Interest Earnings	37,161	17,425	11,235	16,000
Total Revenue	837,129	826,538	937,550	1,031,569
Expense				
Enterprise Operations	545,758	565,252	656,073	702,138
Miscellaneous	362	-	-	-
Debt Service	48,344	26,179	90,408	92,047
Depreciation	159,159	169,816	192,558	208,000
Total Expense	753,623	761,247	939,039	1,002,185
Other Sources (Uses)				
Transfers Out	-	(20,000)	(40,000)	(97,000)
Net Change	83,506	45,291	(41,489)	(67,616)

The operating surplus generated in any given year is used to partially support anticipated storm sewer capital costs as mandated by the City's Surface Water Management Plan.

The table below shows estimated surface water fund activity for the 2012-2013 biennial budget. As shown, a net loss is anticipated for 2012 despite the increase in surface water rates.

	2012 Budget	2013 Budget
Revenue		
Special Assessments	\$ -	\$ -
Intergovernmental	3,815	3,750
Utility Charges	1,109,462	1,215,101
Interest Earnings	24,000	28,000
Total Revenue	1,137,277	1,246,851
Expense		
Enterprise Operations	760,233	756,856
Miscellaneous	-	-
Debt Service	85,602	75,594
Depreciation	218,000	223,000
Total Expense	1,063,835	1,055,450
Other Sources (Uses)		
Transfers Out	(107,000)	(126,900)
Net Change	(33,558)	64,501

Over the next 5 years, significant surface water system costs include:

- Repair and replace storm systems
- Improve and expand the storm system as part of street projects
- Sediment removal from ponds and other infrastructure
- Construct 2 pretreatment structures for the East and Northwest shores of Shoreview Lake
- Update storm sewer lift station controls

Street Lighting Operations

The City of Shoreview operates a street lighting system throughout the community in support of safe vehicle and pedestrian traffic. The City’s street light system includes lighting owned by the City or leased from Xcel Energy.

- 713 city-owned street lights
- Leased street lights

Operation and maintenance of the City’s street light system includes:

- Periodic rewiring of existing lights
- Energy costs associated with operation of the lighting system
- Installation of new street lights
- Repair and replacement of existing poles and/or light fixtures

Street Lighting Rates

Street lighting user charges are based upon property type. The table below shows 2012 street lighting rates for all classes of property. Apartments and mobile homes pay a lower fee than homes because there are significantly more homes per acre in those developments. All properties in Shoreview, regardless of locations or types of street light fixtures, pay street light charges. All properties receive benefit from the street light system through illumination of streets, which in turn enhances safety for drivers and pedestrians.

Street Lighting Rates (quarterly)		
Property Type	Rate	Basis
Residential, townhome	\$ 9.11	per unit
Apartment, condo, mobile home	\$ 6.83	per unit
Comm, industrial, school,church	\$ 27.33	per acre

Street Lighting Assets

It cost approximately \$1.4 million to build the City-owned portion of the City's street lighting system (excluding lights owned by Xcel Energy), which results in \$40,000 of depreciation expense for 2012. Since the creation of the street lighting fund, the City has spent \$270,000 on lighting repairs and replacements. Over the next 5 years the City expects to spend nearly \$1 million on street lighting repairs and replacements due to the age of many of the lights in the system.

Street Lighting Budget

The table below provides a history of street lighting fund activity for the last 4 years. As shown, the fund ended with a net gain in each year. An operating gain is necessary because the fund lacks sufficient cash balances to absorb the annual impact of street lighting replacement costs. These costs create an immediate drain on street light fund cash while impacting depreciation expense over the useful life of the assets (per governmental accounting rules).

	2008 Actual	2009 Actual	2010 Actual	2011 Estimate
Revenue				
Special Assessments	\$ 86	\$ 144	\$ 92	\$ -
Utility Charges	302,600	333,903	348,220	365,000
Interest Earnings	3,982	2,445	2,221	2,500
Other Revenues	1,011	-	466	500
Total Revenue	307,679	336,492	350,999	368,000
Expense				
Enterprise Operations	218,276	217,103	245,207	242,099
Miscellaneous	-	-	26	-
Depreciation	38,825	38,353	37,911	40,000
Total Expense	257,101	255,456	283,144	282,099
Other Sources (Uses)				
Transfers Out	-	(3,000)	(6,000)	(12,600)
Net Change	50,578	78,036	61,855	73,301

The table below shows estimated street lighting fund activity for the 2012-2013 biennial budget. The planned operating surplus is intended to partially offset street light replacements of \$211,000 in 2011, and \$160,000 in 2012.

	2012 Budget	2013 Budget
Revenue		
Special Assessments	\$ -	\$ -
Utility Charges	456,000	474,000
Interest Earnings	2,500	2,700
Other Revenues	500	500
Total Revenue	459,000	477,200
Expense		
Enterprise Operations	251,740	259,451
Miscellaneous	-	-
Depreciation	40,000	48,000
Total Expense	291,740	307,451
Other Sources (Uses)		
Transfers Out	(15,600)	(19,000)
Net Change	151,660	150,749

In the next 5 years, energy and street light repair and replacement costs will be the primary driving force when establishing street lighting charges.

- Energy costs account for 63% of operating expense in 2012 and 2013 (the largest expense for the fund).
- Repair costs are expected to rise in the future as street lights continue to age.
- Plans to replace 150 street lights over the next 5 years (as part of street renewal projects and individual replacements) will result in capital costs of \$1 million.

What Does This Mean for My Utility Bill?

The impact of the 2012 water and sewer rates on any individual customer depends on the amount of water consumed because rates are based on the philosophy that customers putting greater demands on the system should pay more than customers with lesser demand. The table below provides a breakdown of residential customers in 6 usage levels. As shown, 42% of residential customers fall into the “average” category (using an average of 17,500 gallons of water per quarter, and using about 12,000 gallons per quarter in the winter months).

Use Level	Water Gallons	Sewer Gallons	Percent of Residential Customers
Very low	5,000	4,000	10%
Low	10,000	10,000	22%
Average	17,500	12,000	42%
Above average	25,000	22,000	19%
High	55,000	26,000	5%
Very high	80,000	34,000	2%

The next table illustrates the change in utility bills for 2012 in each of the usage levels, assuming that the same amount of water is used in each year.

Use Level	Total Quarterly Utility Bill		Quarterly Change
	2011	2012	\$
Very low	\$ 91.77	\$ 97.34	\$ 5.57
Low	\$ 107.73	\$ 117.10	\$ 9.37
Average	\$ 136.99	\$ 148.68	\$ 11.69
Above avg	\$ 166.72	\$ 180.74	\$ 14.02
High	\$ 258.22	\$ 288.54	\$ 30.32
Very high	\$ 355.71	\$ 400.78	\$ 45.07

It should be noted that the cost estimates shown above include a water connection fee of \$1.59 per quarter, mandated by and paid to the State of Minnesota.

Available Payment Methods

The City of Shoreview provides a variety of payment methods for utility bills, including:

- City hall front desk during office hours (8 a.m. to 4:30 p.m.)
- Drop box near the city hall entrance
- Drop box at Rainbow Foods (corner of Highway 49 & 96)
- By mail
- Credit card, by calling utility billing (VISA/MasterCard)
- Direct debit (from your bank account)
- On line via the City's website (look for "Online Payments")

Contact Information

Utility billing questions information

- Phone - (651) 490-4630
- Email - utilities@shoreviewmn.gov

Utility maintenance questions

- Phone - (651) 490-4657 (public works admin coordinator)
- Phone - (651) 490-4661 (utilities supervisor)
- Email - dcurley@shoreviewmn.gov

Water and sewer emergencies

- Mon-Fri, 7:00 a.m.-3:30 p.m. (651) 490-4661
- Evenings, weekends and holidays, call the Ramsey County Sheriff (651) 484-3366. The Sheriff's office will contact the utility maintenance person on call.

We hope this information has been helpful
in explaining the City's utility systems.

Shoreview Utility Department
4600 Victoria Street North
Shoreview, MN 55126
www.shoreviewmn.gov



PROPOSED MOTION

MOTION BY COUNCILMEMBER _____

SECONDED BY COUNCILMEMBER _____

To approve the Site Lease Agreement with Clear Channel Inc. for City property (PID NO. 25-30-23-34-0004), the Operating Agreement with Clear Channel Inc. for a Dynamic Digital Display, and to adopt Resolution 11-89 approving acquisition of an access and utility easement at 445 County Road E, and to authorize execution of these Agreements all related to the construction of the billboard.

ROLL CALL: AYES _____ **NAYS** _____

Huffman	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Regular City Council Meeting – December 5, 2011

t:\ccreports\motions\12-05-11 clear channel lease and easement acquisition

TO: Mayor, City Council, City Manager

FROM: Rob Warwick, Senior Planner

DATE: December 2, 2011

SUBJECT: Clear Channel Inc. Site Lease Agreement, Operating Agreement, and Access Easement Acquisition, 445 County Road E

INTRODUCTION

Earlier this year the City adopted regulations pertaining to Dynamic Digital Billboards, anticipating that two of these signs would be installed by Clear Channel Inc. in the City. One sign has been approved for the vacant outlot at the east end of Red Fox Road. Clear Channel and staff have identified terms for a second sign to be located on City property behind 445 and 405 County Road E. See the attached location map.

Council approvals are required for the site lease and access easement agreements. These agreements, and the administrative operating agreement, are discussed below.

DYNAMIC DIGITAL BILLBOARD

The proposed sign is to be located on a 60 by 60 foot area in the northeast corner of the property, as shown on the attached site plan and aerial photo. The 14- by 48-foot sign will be single faced, visible to east bound vehicles travelling on I-694, and be about 50-feet tall. The sign is designed to comply with City standards, and will use a base finished with cultured stone.

In accordance with the City's regulations for Off-premise advertising signs, an agreement is required between the City and the Sign Permit holder for dynamic display billboards which identifies the terms of the permit. This agreement is being brought to the City Council for review. Terms of the agreement address:

1. Architectural enhancements to the support column.
2. Conformance to light emissions, including verification through testing.
3. Public service messages available for use by the City – up to 2,500 8 second messages per month to be reasonably distributed throughout the day.
4. Participation in the State's public safety alert system.

Other provisions address maintenance, inspections, notice requirements and abandonment.

SITE LEASE

The proposed Site Lease Agreement with Clear Channel is attached. The lease includes terms that include:

- A term of 20 years
 - Extension of the lease or automatic one-year extensions after 20-years
- Annual rent of \$40,000
 - A one-time payment of \$8,500.00

- Monthly rent payments
 - A 3% annual escalator commencing in 2015
- A 60 by 60 foot leased area, with access and utility easements
- Access over the west 20 feet of 445 County Road E, then to the billboard across City property
 - Clear Channel will grade an improved drive on the City property on the upland portion of the site
- No permanent wetland impacts will occur as a result of the construction or access

The City Attorney has reviewed the proposed Site Lease, and recommends authorization to execute the lease.

EASEMENT – 445 COUNTY ROAD E

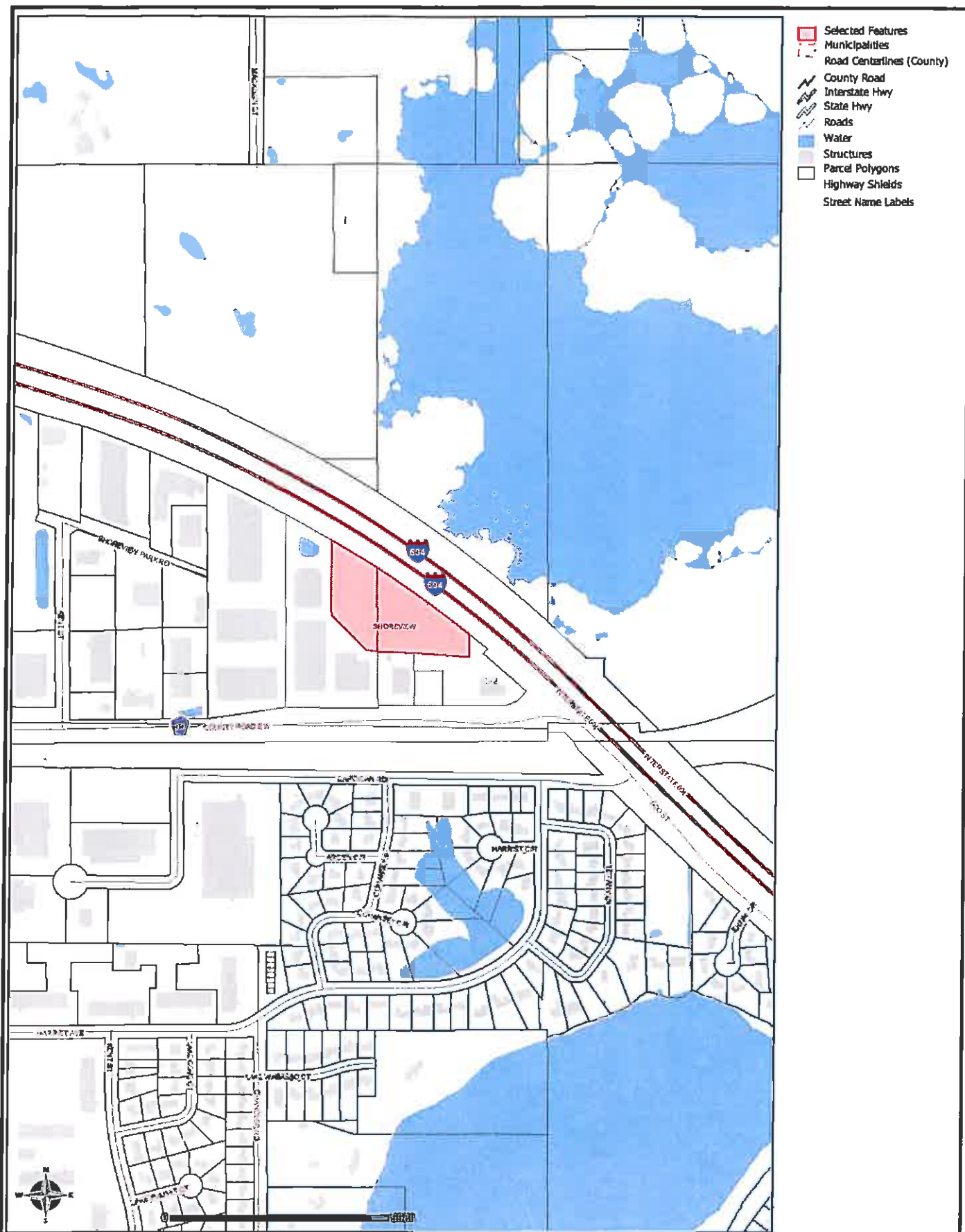
The City property proposed for the sign does not have direct access to a public street. A storm water pipe is located along the west side lot line of the Deburring Inc. property at 445 County Road, and the City has a 10-foot drainage and utility easement over the west 10 feet of that parcel. Permanent access and utility easements are required to expand the existing City rights, and staff has reached an agreement with the property owners to expand the area of the easement to 20 feet and to allow the City to assign access rights to others.

Council approval is required for all easements and the associated costs paid to the property owner. The cost to acquire and expand the easement rights is \$16,855.00. The one-time payment from Clear Channel in the amount of \$8,500.00 will help defray the cost of this easement. Please see the attached drawing showing the location of the easement.

Resolution 11-89 authorizes the acquisition of the easement and is attached.

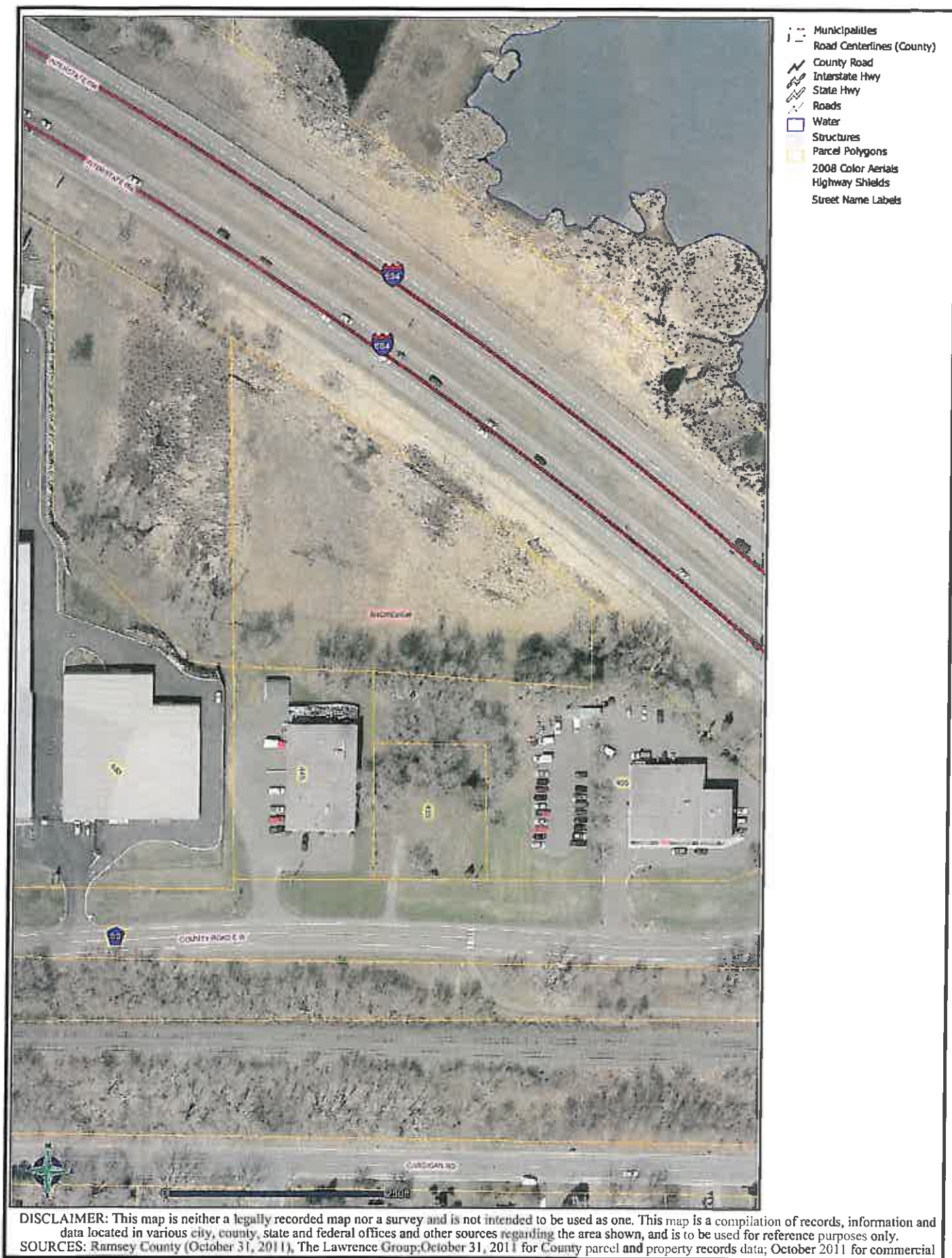
RECOMMENDATION

It is recommended that the City Council approve the agreements for the dynamic digital billboard, adopt Resolution 11-89 authorizing acquisition of the easement across 445 County Road E, and authorize execution of the Site Lease, Operating and Easement agreements.



DISCLAIMER: This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only.

SOURCES: Ramsey County (October 31, 2011), The Lawrence Group: October 31, 2011 for County parcel and property records data; October 2011 for commercial





BILLBOARD SIGN SURVEY FOR:
CLEAR CHANNEL OUTDOOR, INC.
PROPOSED LEGAL DESCRIPTIONS:

An area for sign purposes over, under and across that part of the following described land:

Beginning at the intersection of the southeast line of Interstate Highway No. 694 and the east line of the west 544.5 feet of the Southeast Quarter of the Southwest Quarter of Section 25, Township 30, Range 23, Ramsey County, Minnesota, thence South, along said east line, a distance of 375 feet, thence Southeast, to a point on the east line of the west 964.5 feet of said Southeast Quarter of the Southwest Quarter of Section 25, thence South, along said east line, a distance of 100 feet to said southeast line of Interstate Highway No. 694, thence North, along said east line of the west 964.5 feet, a distance of 100 feet to said southeast line, thence North, along said east line of the west 964.5 feet, to the point of beginning.

Said area for sign purposes is described as follows:

Commencing at the intersection of said southeast line with the east line of said west 964.50 feet, thence South 00 degrees 33 minutes 31 seconds East, bearings based on Ramsey County Coordinate Grid, along said east line, a distance of 72.90 feet to the point of beginning of the sign area to be described, thence South 88 degrees 26 minutes 29 seconds West a distance of 80.00 feet to a point hereinafter referred to as Point "A", thence North 00 degrees 33 minutes 31 seconds West a distance of 80.00 feet, thence North 88 degrees 26 minutes 29 seconds East a distance of 80.00 feet to said east line, thence South 03 degrees 53 minutes 31 seconds East, along said east line, a distance of 80.00 feet to said point of beginning.

Together with an area for workspace to construct purposes, over, under and across that part of the first above described land, and area for workspace to construct is described as follows:

Beginning at said Point "A", thence South 00 degrees 33 minutes 31 seconds East a distance of 5.00 feet, thence South 88 degrees 26 minutes 29 seconds West a distance of 80.00 feet, thence North 00 degrees 33 minutes 31 seconds West a distance of 33.00 feet, thence North 88 degrees 26 minutes 29 seconds East a distance of 80.00 feet, thence South 03 degrees 53 minutes 31 seconds East a distance of 25.00 feet to said point of beginning.

And together with an easement for access and utility purposes, 20.00 feet in width, over, under and across the first above described property, and over, under and across the east 100.00 feet of the west 104.50 feet of that part of said Southeast Quarter, which lies southerly of the first above described property, the center line of said access and utility easement is described as follows:

Commencing at said Point "A", thence North 00 degrees 33 minutes 31 seconds West a distance of 12.49 feet to the point of beginning of the center line to be described, thence South 88 degrees 26 minutes 29 seconds West a distance of 81.92 feet, thence North 88 degrees 26 minutes 29 seconds West a distance of 101.87 feet, thence South 83 degrees 22 minutes 06 seconds West a distance of 79.84 feet, thence South 03 degrees 53 minutes 31 seconds West a distance of 124.51 feet, thence southeasterly a distance of 42.04 feet, along a tangential curve, concave to the northeast, having a radius of 80.00 feet, and a central angle of 28 degrees 45 minutes 44 seconds, thence South 25 degrees 43 minutes 48 seconds East, tangent to said curve, a distance of 17.32 feet, thence southeasterly a distance of 34.84 feet, along a tangential curve, concave to the southwest, having a radius of 100.00 feet, and a central angle of 19 degrees 50 minutes 42 seconds, thence South 03 degrees 53 minutes 06 seconds East, tangent to the said described curve, a distance of 22.20 feet to the north line of County Road EW and said center line there terminating.

Said sign area contains 3,800 square feet.

Said workspace to construct area contains 1,800 square feet.

Said access and utility easement contains 12,039 square feet.

NOTES:

- The orientation of this bearing system is based on the Ramsey County Coordinate Grid (NAD 83-98 Adjustment).
- Property owners and parcel numbers were obtained from the Ramsey County Property Information Web site.
- No this work was furnished in the preparation of this survey to verify ownership, the legal description, or the existence of any easements or encumbrances to the property, the legal description shown herein is based on our interpretation of the abstracted legal description obtained from the Ramsey County Property Information Web Site.
- This survey does not purport to show all improvements to the property.
- BEING: MAP: Top of the iron monument located at the southeast corner of Block 1, George Rolling Third Addition, Traction = 949.18 feet (NAD 83), as derived by OPUS Solution.

LEGAL DESCRIPTION:

Beginning at the intersection of the south-west line of Interstate Highway No. 694 and the east line of the west 544.5 feet of the Southeast Quarter of the Southwest Quarter of Section 25, Township 30, Range 23, thence South, along said east line, a distance of 375 feet, thence Southeast, to a point on the east line of the west 964.5 feet of said Southeast Quarter of the Southwest Quarter of Section 25, thence South, along said east line of the west 964.5 feet, a distance of 100 feet to said southeast line of Interstate Highway No. 694, thence North, along said east line of the west 964.5 feet, a distance of 100 feet to said southeast line of Interstate Highway No. 694, thence Northwesterly, along said southeast line of Interstate Highway No. 694, to the point of beginning.

Parcel Number: 25-30-23-34-004

CERTIFICATION:

I hereby certify that this survey was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Lee J. Nord, P.L.S.

Minnesota License No. 22033

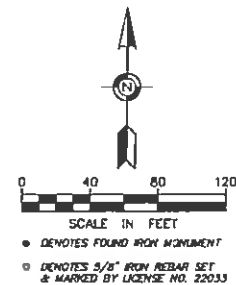
Date of survey: September 22, 2011

SOUTHEAST BOUND VIEW ±300'

SOUTHEAST BOUND VIEW ±600'

SOUTHEAST BOUND VIEW ±900'

SOUTHEAST BOUND VIEW ±1200'



- LEGEND
- HIGHWAY SIGN
 - BURIED FERRITE OPTICS SIGN
 - ELECTRIC BOX
 - POWER POLE
 - POLE ANCHOR
 - OVERHEAD WIRE
 - FENCE
 - TREE LINE
 - EXISTING SPOT ELEVATION
 - EXISTING CONTOUR
 - BATHYMETRIC SURFACE

FIELD BOOK	PAGE	FIELDWORK	CHIEF	TH	NO	DATE	DESCRIPTION
2857	9				1	10/21/11	ADDED PHOTO SIMULATIONS
					2	12/1/11	PROPOSED ACCESS & CONSTRUCTION AREA DESCRIPTIONS
DRAWING NAME:							
54931 REV. 2 C&C							
JOB NO. 34931							
FILE NO. 6072							

BILLBOARD SIGN
SURVEY

SURVEY FOR:

CLEAR CHANNEL
OUTDOOR, INC.

PROPERTY ADDRESS:

I-694 & COUNTY ROAD EW
SHOREVIEW, MINNESOTA 55126

E.F.N.
Egan, Field & Nowak, Inc.
Land Surveyors Since 1872

1229 Tyler Street NE, Suite 100
Minneapolis, Minnesota 55413
PHONE: (612) 466-3300
FAX: (612) 466-3383
WWW.EFNSURVEY.COM
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SHEET 1 OF 1

SITE LEASE AGREEMENT

This Site Lease Agreement (hereinafter referred to as "Lease") is made effective the _____ day of _____, 2011 and entered into by and between the city of Shoreview, a Minnesota municipal corporation (hereinafter referred to as "Lessor") and Clear Channel Outdoor Inc., a Delaware Corporation (hereinafter referred to as "Lessee").

FOR GOOD AND VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. **PROPERTY AND PREMISES.** Lessor is the owner of certain real property ("Property") situated in Ramsey County, Minnesota. Subject to the terms and conditions contained herein, Lessor leases to Lessee a 60 foot by 60 foot area of the Property ("Premises"), and also conveys a non-exclusive access easement ("Access Easement") and a non-exclusive utility easement ("Utility Easement"). Lessee will construct, operate and maintain a single-face Dynamic Digital Billboard ("Sign"), with a maximum height of 75-feet and a maximum area of 700 square feet (measured per sign face); and will operate, repair, improve, supplement, paint, illuminate, reposition and add, change or maintain communication equipment required to maintain communications with the sign structures on the display and lighting connections and equipment associated solely for the Sign (all personal property and fixtures installed by or on behalf of Lessee is collectively referred to as "Equipment") on the Premises. Lessee at its sole option may install and remove digital or dynamic faces on the sign structure. The Property, Premises, Access Easement and Utility Easement are illustrated on the plans attached hereto as Exhibit A.

2. **TERM.** The term of this Lease shall be 20 years, beginning on the date that construction of the Sign allowed pursuant to this Lease Agreement commences ("Commencement Date") and ending twenty (20) years thereafter. The Lease Term shall be extended from year-to-year at the end of the Term upon the terms and conditions then in effect unless terminated by either party by written notice to the other party ninety (90) days prior to the end of the Term or any extension.

3. **PERMITTED USE.** The Premises may only be used by the Lessee for the construction, operation and maintenance of the Sign and Equipment.

4. **LOCATION, DESIGN AND CONTENT OF THE SIGN AND EQUIPMENT.** The construction, location and design of the Sign and Equipment on the Premises must be in accordance with the plans and specifications contained in Exhibit B; as approved by the Lessor prior to installation or construction which approval will not be unreasonably withheld, conditioned or delayed; and must be in compliance with all applicable city, state and federal regulations and codes prior to installation. Lessee must obtain all necessary approvals from governmental agencies, including the State of Minnesota and the City of Shoreview. Any facility, structure, equipment or other type of

improvement including the Sign and Equipment shall be installed by Lessee on the Premises at its sole cost and expense.

a. Survey and Legal Descriptions. Lessee shall be solely responsible for providing a survey and legal descriptions of the Premises, Utility and Access Easements.

b. Wetland. The Property contains wetland areas that have not been delineated by Lessor. Lessee shall be solely responsible for securing any required permits for wetland impacts proposed for the construction, operation and maintenance of the Sign, Equipment and any other use of the Property, Premises, Utility Easement or Access Easement.

c. Content. Advertising content shall not include message displays that include:

- i. Any tobacco products or the use thereof, including but not limited to, cigarettes, chewing tobacco, and cigars; or any messages that promote the use, sale or consumption of any tobacco products;
- ii. Any alcoholic beverages, or the use thereof (except for beer and wine); or any messages that promote the use, sale or consumption of alcoholic beverages (except beer and wine);
- iii. Any form of adult entertainment, including, but not limited to, adult bookstores, strip clubs or any messages that promotes establishments that permit the sale or display of sexually explicit materials; or
- iv. Any full or partial nudity.

5. **RENT.**

a. **Basic Rent:** As rent, Lessee shall pay Lessor Forty Thousand and No/100 Dollars (\$40,000.00) annually (hereinafter "Rent"). Rent for calendar year 2011 shall be prorated through December 31st and shall be payable to Lessor within thirty (30) days after the Commencement Date. In subsequent years, Rent shall be payable in twelve (12) equal monthly installments, paid on or before the 10th day of each month. Beginning January 1, 2015, the Rent shall increase by 3% of the previous year's annualized Rent each year thereafter.

- i. Rent that is not received by the Lessor by the 15th day of any month shall be late and subject to an interest charge of 1.5% per month (18% per annum).
- ii. Rent that is not received within 30 days of the due date constitutes an occurrence of Default, as further described in Paragraph 8.
- iii. If Lessee is no longer permitted to operate the Sign as a digital or dynamic sign for any reason whatsoever, then Rent shall revert to Fifteen Thousand

and No/100 Dollars (\$15,000.00) annually, payable on the same terms prorated terms as described in Section 5(a) herein.

- iv. Within 30 days of commencement of Rent, Lessee shall pay Lessor a one-time bonus payment of \$8,500.00 Dollars (Eight-Thousand Five-Hundred Dollars)

b. **Public Service Messages.** In addition to Rent paid by Lessee to Lessor, Lessee shall allow the Lessor to display public service messages on the Sign for a period of five (5) hours per month (2,250 8-second message displays). The public service messages shall be reasonably distributed throughout the month and day, and shall not be unduly relegated to the period 12 A.M. to 6 A.M. (Central Standard Time) time frame.

c. **Additional Equipment:** Lessee may not add additional facilities, structures, equipment or other types of improvements, including equipment cabinets beyond those shown on Exhibit A without the prior written approval of the Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. This provision shall not apply to replacement equipment of similar size and visual impact resulting from technology changes or repairs. There shall be additional Rent charged for any additional facilities, structures, equipment or other types of improvements, including equipment cabinets that are installed on the Premises by the Lessee based upon the proportional increase in the amount of new facilities, structures, equipment or other types of improvements installed relative to the Equipment shown in Exhibit A or approved by the Lessor at the time of the execution of this Lease. No permanent emergency power generator shall be installed by Lessee on the Premises.

d. **Taxes:** In addition to Rent, and in accordance with Paragraph 10, below, Lessee agrees to timely pay any taxes, real or personal, directly attributable to its installation of the Sign and Equipment.

6. **INTERFERENCE.** Lessee shall not use the Premises in any way that materially interferes with the use of the Property by Lessor, or other lessees or licensees of Lessor having pre-existing operations on the Property. Lessor shall not use, nor shall Lessor permit its lessees, licensees, employees, invitees or agents to use, the Property in a manner that materially interferes with the Lessee's permitted use of the Premises pursuant to Paragraph 3 of this Lease. Material interference, as defined herein, shall be deemed a Default, pursuant to Paragraph 8 (b), of this Lease by the interfering party, who shall, upon written notice from the other party, be responsible for its immediate termination. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights that it may have at law or in equity, to bring a court action to enjoin such interference or to terminate this Lease immediately upon written notice.

Lessor shall not construct, or allow construction, on the Property of any buildings or structures that interfere with the visibility of the Sign. Lessee shall have the right to maintain the visibility of the Sign free of obstructive vegetation until the Sign is removed from the Premises.

7. **IMPROVEMENTS; UTILITIES; ACCESS.**

a. **Installation:** Lessee shall have the right, at its sole expense, to erect and maintain on the Premises the Sign and Equipment. However, the location, specifications and design of the facilities, structures, equipment or other types of improvements installed must have the written approval of the Lessor prior to installation. The installation and construction thereof must be in accordance with Exhibit A, and in compliance with all applicable city, state and federal regulations and codes. The Lessor's approval shall not be unreasonably withheld, conditioned or delayed and shall be deemed given as to those items listed in Exhibit A hereto. Lessee shall cause all construction to occur lien-free.

b. **Damage During Installation/ Punchlist Items:** Any damage done to the Property, Premises, Utility Easement or the Access Easement during installation or during operations must be repaired at Lessee's sole expense within thirty (30) days after receipt of written notification of damage, or as soon as reasonably practicable if a particular repair cannot reasonably be completed within thirty (30) days (in such event, Lessee shall notify Lessor of such impracticability), except that any damage to Lessor's storm water infrastructure may require immediate repair. Lessee shall complete its initial installation in a timely fashion. Lessor shall inspect Lessee's initial installation, and any subsequent operating changes made by Lessee, and shall notify Lessee of any punch list items that must be completed. Lessee shall complete all punch list items within thirty (30) days after receipt of written notification by the Lessor, or as soon as reasonably practicable if a particular punch list item cannot reasonably be completed within thirty (30) days (in such event, Lessee shall notify Lessor of such impracticability). Failure to complete the punch list items shall constitute a Default and Lessor shall be entitled to terminate this Lease as provided in Paragraph 9 (a) hereof.

c. **Property Rights to Structures, Equipment or Other Improvements Installed:** Lessee shall have the right to install, replace or upgrade the Sign and Equipment as provided in this Lease at any time during the term of the Lease. The Sign and Equipment shall remain the exclusive property of Lessee. Lessee must remove the Sign and Equipment following any termination of this Lease. Lessor waives any and all lien rights it may have, statutory or otherwise, concerning the Sign and Equipment. The Sign and Equipment shall be deemed personal property for the purposes of this Lease, regardless of whether any portion is deemed real or personal property under applicable law, and Lessor consents to Lessee's right to remove all or any portion of the Sign and Equipment from time to time in Lessee's sole discretion and without Lessor's consent.

d. **Site Maintenance and Restoration:** It is the sole obligation of the Lessee, at Lessee's own expense, to maintain its Sign and Equipment, now or hereafter located thereon: In a commercially reasonable condition and repair; In compliance with all applicable Federal, State and City rules and regulations; and According to good engineering practices during the term of this Lease. Upon termination of this Lease, the Premises shall be returned to Lessor restored to substantially the same condition as on the Commencement Date, with the exception of reasonable wear and tear.

e. **Lessee's Use of and Payment for Utilities:** Lessee shall be solely responsible for the payment of any and all utility charges due to Lessee's use. Lessee, subject to the prior written approval of the Lessor which may not be unreasonably withheld, conditioned or delayed, shall have the right to install private utilities underground on the Utility Easement and Premises, at Lessee's own expense. Utilities include electrical and communications for the sign structure. The utilities installed by the Lessee must not interfere with the Lessor's use of the Property or that of Lessor's lessees, licensees existing as of the Commencement Date and must be relocated at Lessor's expense if they interfere with future Property use by Lessor, provided such new location shall not materially interfere with Lessee's operations. Lessor shall not be responsible for any damages which occur as a result of interruption of utility services, unless such interruption is caused by Lessor or Lessor's employees, agents, contractors or representatives.

f. **Access Easement:** As partial consideration for Rent paid under this Lease, Lessor hereby grants Lessee rights to the Access Easement for ingress, egress, and access (including access described in Paragraph 1 hereof) to the Premises adequate to service the Premises and the Sign and Equipment at all times during this Lease. Upon notice, Lessor shall have the right, at Lessor's sole expense, to relocate the Access Easement to Lessee, provided such new location shall not materially interfere with Lessee's operations. Any Access Easement provided hereunder shall have the same term as this Lease. The Access Easement is subject to the following restrictions:

- i. No vehicle parking or material storage is permitted in the south 200 feet of the Access Easement.
- ii. Lessee is responsible for snow removal from the Access Easement, except the south 200 feet thereof.

g. **Access to Premises:** Both parties hereto shall have twenty-four (24) hours a day, seven (7) days a week access to the Premises at all times during the Term of this Lease and any extension thereto. In no event will Lessor, its employees, agents or contractors remove, relocate, modify, alter or otherwise tamper with Lessee's Sign and Equipment.

- h. **Nuisance Abatement:** Lessee agrees that if its use of the Premises or any of the facilities, structures, equipment or other types of improvements installed thereon produces light, noise, or other nuisance conditions at levels in violation of local ordinance, regulation, code or laws and cause a disturbance to the surrounding neighbors of the Property, Lessee will at its own expense install noise mitigating equipment or a buffer to meet State noise standards.
8. **DEFAULT.** Except as expressly limited hereby, Lessor and Lessee shall have such remedies for the Default of the other party hereto as may be provided at law or equity following written notice of such Default. Any of the following occurrences, conditions, or acts shall be deemed a "Default" under this Lease:
- a. If Lessee fails to pay amounts due under this Lease within thirty (30) days of its receipt of written notice that such payments are overdue; or
- b. If either party fails to observe or perform its obligations under this Lease and does not cure such failure within the time provided in Paragraph 9 of this Lease without, however, limiting any other rights available to the parties pursuant to any other provisions of this Lease.
9. **TERMINATION.** Except as otherwise provided herein, this Lease may be terminated without any penalty or further liability as follows:
- a. **Default:** Upon written notice of a Default, which Default is not cured within thirty (30) days of receipt of written notice of Default to the reasonable satisfaction of both parties;
- b. **Lessee Inability to Obtain Essential Governmental Approvals:** Upon thirty (30) days written notice by Lessee, if Lessee is unable to obtain or maintain any license, permit or other governmental approval essential or necessary to the construction and/or operation of the Sign and Equipment or Lessee's business, including without limitation the right to operate the Sign as a digital or dynamic sign;
- c. **Destruction or Damage to Property:** Upon thirty (30) days written notice if the Premises, Sign or Equipment are destroyed or damaged so as in Lessee's reasonable judgment to materially affect the use of the Sign;
- d. **Lessee's Failure to Comply with Applicable Laws or Conditions of Approval:** Upon thirty (30) days written notice by Lessor if Lessee fails to comply with applicable ordinances, or state or federal law, or any conditions attached to government approvals granted thereunder, including compliance with existing or subsequently adopted Federal standards relating to billboards or highway traffic safety, and the failure to comply is not cured within thirty (30) days of receipt of written notice of failure to comply; provided, however, that if Lessee's failure to comply is limited to the Sign being a nonconforming structure

without any safety hazards or violations present, such nonconformance shall not be considered a reason for termination of this Lease;

e. **Condemnation:** In the event the whole of the Premises is taken by eminent domain by a party other than Lessor, this Lease shall terminate as of the date title to the Premises vests in the condemning authority. In the event that a portion of the Premises is taken by eminent domain by a party other than Lessor, either party shall have the right to terminate this Lease as of the date of title transfer, by giving thirty (30) days written notice to the other party. In the event of any taking under the power of eminent domain by a party other than Lessor, Lessee shall not be entitled to any portion of the award paid for the taking to Lessor and the Lessor shall receive full amount of such award; provided, however, that Lessee shall be allowed to pursue its own award from the party exercising such eminent domain. Lessee hereby expressly waives any right or claim to any portion thereof of any award to Lessor. Although all damages awarded to Lessor, whether awarded as compensation for diminution in value of the leasehold or to the fee of the Premises, shall belong to Lessor, Lessee shall have the right to claim and recover from the condemning authority, but not from Lessor, such compensation as may be separately awarded or recoverable by Lessee on account or any and all damage to Lessee's business and any costs or expenses incurred by Lessee in moving/removing its equipment, personal property, Sign, Equipment, and leasehold improvements. In the event that Lessor receives notification of any condemnation proceedings affecting the Property, Lessor shall provide notice of the proceedings to Lessee within thirty (30) days; or

f. **Lessee Termination Right:** Upon three (3) months' written notice by Lessee if:

- i. The Premises are or become unacceptable under Lessee's design or specification;
- ii. Electrical service is unavailable or unsuitable for Lessee's uses;
- iii. Lessee's advertising copy becomes entirely or partially obscured;
- iv. The Premises become unsafe or unsightly, in Lessee's sole judgment, for the maintenance of Lessee's advertising copy thereon;
- v. The value of the Premises for advertising purposes diminishes;
- vi. There is a diversion, reduction or change in directional flow of traffic from the street or streets adjacent to or leading to or past the subject premises;
- vii. Lessee is unable to obtain necessary permits for the operation of the Sign, including without limitation the right to operate the sign as a digital or dynamic sign;

g. **Lessee's Duties Upon Lease Termination:** Upon termination of this Lease, Lessee shall, within ninety (90) days thereof, remove all of its facilities,

structures, equipment or other types of improvements installed, including the Sign and Equipment, from the Premises. Lessee, at its expense, agrees to return the Premises to its original condition, ordinary wear and tear excepted. Lessee shall not be required to remove from the Property or the Premises any underground utilities. Any of Lessee's property remaining on the Premises ninety (90) days after the expiration or the termination of this Lease may be removed by Lessor at Lessee's cost and expense.

h. **Surety.** In order to secure Lessee's restoration obligation specified in Paragraph 9.g, Lessee shall file a removal bond or other form of security with the Lessor as reasonably approved by the Lessor's attorney in an amount equal to one hundred twenty-five percent (125%) of the City Engineer's estimate of the cost of such restoration. At the present time, it is estimated that the cost to restore the Premises is approximately Five Thousand Dollars (\$5,000.00). The Lessor reserves the right to re-evaluate the estimated cost of restoration the second year of the Lease and, at each two-year interval thereafter during the term of the Lease, or any renewal thereof. If the estimated cost of such restoration increases, Lessee shall increase the amount of the performance bond or other acceptable security a reasonable amount to reflect such increased restoration cost. Lessee shall have the right to appeal any such increase and, at its sole expense, have an independent estimate of such restoration costs performed.

j. **Notice of Termination:** The parties shall give notice of termination in accordance with Paragraph 13, below. Lessee agrees to pay Rent for the Premises until Lessee fulfills its duties upon lease termination, pursuant to Paragraph 9.g above.

10. **TAXES.** Lessee must pay any personal property taxes assessed on, or any portion of such taxes directly attributable to, the facilities, structures, equipment or other types of improvements installed thereon, including the Sign and Equipment. Lessee must timely pay, as additional Rent, any property taxes or payment in lieu of taxes levied against the Premises (excluding any additional taxes that relates to the period prior to the Commencement Date) which is directly attributable to Lessee's use of the Premises, and Lessor agrees to provide timely notice of such taxes to Lessee sufficient to allow Lessee to consent to or challenge such assessment. Lessor hereby grants to Lessee the right to challenge, whether in a Court, Administrative Proceeding, or other venue, on behalf of Lessor and/or Lessee, any personal property or real property tax assessments that may affect Lessee. Further, Lessor shall provide to Lessee any and all documentation associated with the assessment and shall execute any and all documents reasonably necessary to effectuate the intent of this Paragraph 10.

11. **INSURANCE.**

a. **Workers' Compensation:** The Lessee must maintain Workers' Compensation insurance in compliance with all applicable statutes.

b. **General Liability:** The Lessee must maintain an occurrence form commercial general liability coverage. Such coverage shall include, but not be limited to, bodily injury, property damage, and personal injury, for the hazards of Premises/Operation, property damage liability, and independent contractors.

Lessee will maintain Completed Operations coverage for a minimum of two years after the effective Termination of this Lease Agreement.

c. **Automobile Liability:** The Lessee must carry Automobile Liability coverage. Coverage shall be provided by Bodily Injury and Property Damage for the ownership, use, maintenance or operation of all owned, non-owned and hired automobiles. The Commercial Automobile Policy shall include at least statutory personal injury protection, uninsured motorists and underinsured motorists coverages.

d. **Lessee Property Insurance:** The Lessee must keep in force for the duration of the Lease a policy covering damages to its property at the Premises. The amount of coverage shall be sufficient to replace the damaged property, loss of use and comply with any ordinance or law requirements.

12. **DEFENSE AND INDEMNIFICATION.**

a. **General:** Lessee agrees to defend, indemnify and hold harmless Lessor and its elected officials, officers, employees, agents, and representatives, from and against any and all claims, costs, losses, expenses, demands, actions, or causes of action, including reasonable attorneys' fees and other costs and expenses of litigation, to the extent caused by Lessee in the performance of this Lease, except those which arise from negligence, willful misconduct, or other fault of Lessor, its employees, agents or contractors. Lessee shall defend, indemnify and hold Lessor, its agents, employees and officials harmless against all claims arising out of Lessee's use of the Premises, including its installation, operation, use, maintenance, repair, removal or unauthorized use of copyrighted material.

Lessor agrees to defend, indemnify and hold harmless Lessee and its officers, employees, agents, and representatives, from and against any and all claims, costs, losses, expenses, demands, actions, or causes of action, including reasonable attorneys' fees and other costs and expenses of litigation, to the extent caused by Lessor in the performance of this Lease, except those which arise from negligence, willful misconduct, or other fault of Lessee, its employees, agents or contractors. Lessor shall defend, indemnify and hold Lessee, its agents, employees and officials harmless against all claims arising out of Lessor's use of the Premises.

b. **Hazardous Materials:** Without limiting the scope of Paragraph 12 (a) above, Lessee will be solely responsible for and will defend, indemnify, and hold

Lessor, its agents, officials and employees harmless from and against any and all claims, costs, and liabilities, including reasonable attorney's fees and costs, arising out of the cleanup or restoration of the Premises associated with the Lessee's use of Hazardous Materials. For the purposes of this Lease, "Hazardous Materials" shall be interpreted broadly and specifically includes, without limitation, asbestos, fuel, batteries or any hazardous substance, waste, or materials as defined in any federal, state, or local environmental or safety law or regulations including, but not limited to, CERCLA.

c. **Lessee's Warranty:** Lessee represents and warrants that its use of the Premises will not generate and Lessee will not store or dispose of on the Premises, nor transport to or over the Premises in violation of applicable law, any Hazardous Materials, unless Lessee specifically informs Lessor thereof in writing twenty-four (24) hours prior to such storage, disposal or transport, or otherwise as soon as Lessee becomes aware of the existence of Hazardous Materials on the Premises. The obligations of this Paragraph 12 shall survive the expiration or other termination of this Lease. Notwithstanding anything to the contrary herein, it is agreed and understood that Lessee shall be permitted to use such hazardous substances that are commonly used in the type of facility contemplated herein, including without limitation, fuel-powered generators and batteries.

d. **Lessor's Warranty.** To the best of its knowledge, Lessor warrants and represents to Lessee that there are no Hazardous Materials on the Property in violation of any applicable laws.

13. **NOTICES.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered, sent by certified mail, return receipt requested, or sent by overnight carrier to the following addresses:

Lessor: City Manager
City of Shoreview
4600 Victoria St. N.
Shoreview, Minnesota 55126

Lessee: Clear Channel Outdoor Inc.
3225 Spring Street Northeast
Minneapolis, Minnesota 55413

14. **LIMITATION OF LIABILITY.** Notwithstanding anything to the contrary in this Lease, in no event will either party be liable to the other for, or indemnify the other party, against, punitive, indirect, incidental, special or consequential damages, including, without limitation, loss of profits, income or business opportunities.

15. **QUIET ENJOYMENT, TITLE AND AUTHORITY.** Lessor warrants that (i) it has full right, power and authority to execute this Lease; (ii) it has good and unencumbered title to the Premises free and clear of any liens or mortgages, except those disclosed to Lessee which will not interfere with Lessee's right to use of the Premises; (iii) the Premises constitute a legal lot; and (iv) execution and performance of this Lease will not violate any laws, ordinances, covenants, or the provisions of any mortgage, lease or other agreement binding on Lessor.

Lessor covenants that at all times during the term of this Lease, Lessee's quiet enjoyment of the Premises or any part thereof shall not be disturbed as long as Lessee is not in default beyond any applicable grace or cure period.

16. ASSIGNMENT. Except as may be set forth below, this Lease, or rights thereunder, shall only be assignable by Lessor or Lessee with the written consent of the other party to the Lease Agreement, which consent shall not be unreasonably withheld, conditioned or delayed, and subject to the terms specified herein.

a. **Assignment by Lessor.** If this Lease is assigned or the real property is sold, Lessor shall notify Lessee immediately of said assignment or sale prior to the assignment or sale taking place, including the applicable financial terms and conditions of such assignment or sale. Lessor also agrees to provide the new owner written notice of the existence of this Lease, to deliver a copy of this Lease to the new owner, and to obtain a consent from the new owner to this Lease prior to consummating such assignment or sale. In the event Lessor shall decide during the term of this Lease to sell the Property, Lessee shall have a period of sixty (60) days from the date of the notice to Lessee of such sale to acquire the premises on equal terms and conditions as those contained in said notice to Lessee.

b. **Assignment by Lessee.** This Lease, or rights thereunder, may not be sold, assigned, or transferred at any time by Lessee except to Lessee's parent, affiliates, or subsidiaries, or to any entity which acquires all or substantially all of the Lessee's assets in the market in which the Property is located by reason of a merger, acquisition, or other business reorganization, and in the event of such assignment, transfer, or sale as described above, Lessee shall not be required to obtain written consent of Lessor to consummate such transaction. As to other parties or transactions not described above, this Lease may not be sold, assigned, or transferred without the written consent of the Lessor, such consent not to be unreasonably withheld, conditioned or delayed. For purposes of this Paragraph, an "affiliate", "parent" or "subsidiary" means an entity in which Lessee owns greater than a fifty percent (50%) interest, or which owns greater than a fifty percent (50%) interest in Lessee. Upon Lessor's receipt of written acceptance of Lease right by assignment, Lessee shall be relieved of all obligations under this Lease.

Additionally, Lessee may, upon notice to Lessor, collaterally assign or grant a security interest in this Lease and the Sign and Equipment, and may assign this Lease and the Sign and Equipment to any mortgagees or holders of security interests, including their successors or assigns (collectively "Secured Parties"). In such event, Lessor shall execute such consent to leasehold financing as may reasonably be required by such Secured Parties.

17. **SUCCESSORS AND ASSIGNS; BINDING EFFECT.** This Lease shall run with the Property, and shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and assigns.

18. **RIGHT OF FIRST REFUSAL TO LEASE.** Lessor hereby grants to Lessee a right of first refusal to lease the Leased Premises upon receipt of a bona fide lease agreement reasonably acceptable to Lessor for a period of two (2) years after the expiration of the Lease and the expiration of any extensions hereof. Lessee shall have the right to lease the Leased Premises upon the same terms and conditions contained in such bona fide lease agreement. Lessee's right of first refusal shall exist for thirty (30) days after receipt via certified mail, return receipt requested, of an executed copy of the bona fide lease agreement from the Lessor and two (2) lease agreements to be executed by Lessee. Lessee may exercise the right of first refusal by delivering to Lessor at its address stated in the lease agreement within said thirty (30) day period two executed lease agreements accompanied by a check for deposit, if any, for first month's rent and any other funds required by the bona fide lease agreement.

19. **ANNUAL REPORTING.** By January 31st of each year, Lessee shall submit to Lessor an annual report that identifies:

- a. The number of hours used to display public service messages.
- b. The number of public service messages displayed; including information on the agency/organization for which those messages have been displayed.
- c. Any discontinuation of service of said sign and the cause thereof (other than routine maintenance or power outages, or any discontinuations caused by Lessor).

20. **MISCELLANEOUS.**

a. **Disputes:** Any claim, controversy or dispute arising out of this Lease not resolved within thirty (30) days following notice of the dispute, shall be submitted first and promptly to mediation. Each party shall bear its own costs of mediation. If mediation does not result in settlement within forty-five (45) days after the matter was submitted to mediation, either party may exercise its legal or equitable remedies and may commence such action prior to the expiration of the applicable statute of limitations. The prevailing party in any litigation shall be entitled to its reasonable attorney's fees and court costs.

b. **Estoppel Information:** Each party agrees to furnish to the other, within sixty (60) days after request, such truthful estoppel information as the other may reasonably request in writing.

c. **Complete Lease; Amendments:** This Lease constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to this Lease must be in writing and executed by both parties. Exhibits A and B are hereby incorporated into this Lease by reference. No provision of this Lease will be deemed waived by either

party unless expressly waived in writing by the waiving party. No waiver shall be implied by delay or any other act or omission of either party. No waiver by either party of any provisions of this Lease in one instance shall be deemed a waiver of such provision with respect to any subsequent matter relating to such provision. This Lease may be executed in multiple counterparts, each of which will be deemed an original, but all of which together will constitute a single instrument.

d. **Broker's Fees:** If either party is represented by a real estate broker in this transaction, that party shall be fully responsible for any fee due such broker, and shall hold the other party harmless from any claims for commission by such broker.

e. **Memorandum of Lease:** Each party agrees to cooperate with the other in executing any documents necessary to protect its rights or use of the Premises. A Memorandum of Lease may be recorded in place of this Lease, by either party.

f. **Governing Law:** The laws of the State of Minnesota shall govern all questions and interpretations concerning the validity and construction of this Lease and the legal relations between the undersigned parties and performance under it without regard to the principles of conflicts of law. The language of this Lease is and shall be deemed the result of negotiation between the undersigned parties and their respective legal counsel and shall not be strictly construed for or against either party. Each party agrees that any action arising out of or in connection with this agreement shall be brought solely in the courts of the State of Minnesota, Fourth Judicial District, or the United States District Court for the District of Minnesota.

g. **Severability:** If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall remain in full force and effect.

h. **Signatures / Execution:** Each person executing this Lease on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party, with full right and authority to execute this Lease and to bind such party with respect to all of its obligations hereunder. This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Lease,
the date and year first written above.

CITY OF SHOREVIEW (LESSOR)

DATED: _____

By: _____
Its Mayor

DATED: _____

By: _____
Its City Manager

STATE OF MINNESOTA)
)SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Sandra C. Martin and Terry Schwerm, the Mayor and City Administrator of the City of Shoreview and executed the Agreement by authority of the City Council.

Notary Public

Clear Channel Outdoor Inc. (LESSEE)

DATED: _____

By: _____
Its: _____

STATE OF _____)
)SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____, _____ of Clear Channel Outdoor Inc. and executed the Agreement on behalf of the company.

Notary Public

T:/devel agree 11-16-11 final draft clear channel lease

DRAFT

DYNAMIC DIGITAL BILLBOARD OPERATING AGREEMENT CITY OF SHOREVIEW AND CLEAR CHANNEL OUTDOOR, INC.

1.0 **Parties.** This Agreement is dated the ____ day of _____, 2011, and is entered into by and between the City of Shoreview, a Minnesota municipal corporation (“City”) and Clear Channel Outdoor Inc., a Delaware corporation (“Applicant”).

2.0 **Recitals.**

- A. On the ____th day of December, 2011, Clear Channel Outdoor, Inc. completed an application for a Dynamic Digital Billboard Sign Permit (“**Application**”) to be located on a vacant 2.3 acre parcel, PID 25-30-23-34-0004 (“the Property”), Ramsey County.
- B. The Application was subject to administrative review by the City Manager and approved on _____, 2011.
- C. The Application was found to be in compliance with the provisions of the City Code and eligible for a permit subject to the execution of this Operating Agreement pursuant to Section 208.040(9)(b)(ii)(c) of the Shoreview Municipal Code.
- D. The Applicant will construct the Dynamic Digital Billboard on the Property under a lease agreement with the City, owner of the Property.

3.0 **Terms.** In compliance with the City’s Sign Regulations, the parties hereby agree:

- A. **Conditions of Approval.** The Applicant shall comply with the following conditions of approval:
 - 1. The project must be completed in accordance with the plans dated _____ submitted as part of the Dynamic Digital Display Billboard Sign Permit Application.
 - 2. This approval will expire after 180 days if a building permit has not been issued and work has not begun on the project.
 - 3. This approval is contingent upon the City executing a site lease agreement with the Applicant that includes a designated location for the Dynamic Digital Display Billboard, and easements for access and utilities.
 - 4. The Applicant shall submit a technical report from a structural engineer detailing the proposed sign design. The report shall be submitted prior to issuance of a building permit, and is subject to review by the City.

5. The Dynamic Digital Display is required to be operated in accordance with the provisions of the City Sign Code, including the General Standards specified in Section 208.030(B) and (C).
 6. The Dynamic Digital Display Billboard height shall not exceed 50-feet above existing ground level, unless otherwise permitted in accordance with the City Sign Code.
 7. The support columns shall be concealed with an approved architectural treatment.
 8. A landscape plan shall be submitted by the Applicant for review and approval of the City Planner prior to issuance of a building permit. The plan shall include a dense planting of native shrubs to screen cabinet and utilities from view. A landscape surety shall be submitted to insure the installation of the landscape materials.
 9. The conduit from the equipment cabinet to the Dynamic Digital Display Billboard shall be routed underground.
 10. Site utilities shall be installed underground within the utility easement.
 11. The site is subject to confirmation that light emissions conform to the standards specified in Section 208.040(9)(b)(ii)(b) of the Shoreview Municipal Code. The Applicant shall notify the City when the system is installed, prior to operation to arrange a test to demonstrate that the brightness conforms to the levels specified by the Shoreview Municipal Code. The Applicant is responsible for the costs of the testing that demonstrates the sign complies with the provisions of the City Sign Code pertaining to brightness.
 12. The Applicant shall allow the City to display up to 5 hours (e.g., 2,250 8-second messages) public service announcements per month at no cost. The public service messages shall be reasonably distributed throughout the day, and shall not be relegated to the midnight to 6 a.m. time frame as the only time of delivery. The Applicant shall submit quarterly reports detailing these announcements.
 13. The Applicant shall participate in the State of Minnesota's public safety alert system by displaying alerts promulgated by that public safety system.
 14. A permanent emergency power generator shall not be installed on the site. Temporary emergency power generation shall occur on-site only after power outages of 4 or more hours. The Applicant shall notify the City if emergency power is needed to operate the Dynamic Digital Display Billboard.
 15. The Applicant shall obtain all required permits from the Minnesota Department of Transportation and submit copies to the City annually.
- B. Insurance. The Applicant shall carry adequate insurance to protect against any and all claims, demands, actions, judgments, expenses, and liabilities which may arise out of or result from the Applicant's use of the Property.
- C. Site Maintenance. The Applicant shall maintain the site in good and safe condition and to preserve its original appearance and concealment elements

incorporated into the design at the time of approval. Such maintenance shall include, but is not limited to, painting and repair of equipment.

- D. Periodic Inspections. The Applicant shall allow the City to enter the property for the purpose of periodic inspections to determine that the site complies with the conditions of the approval and all safety and building codes. The City shall have the right to conduct such inspections upon 5 day written notice to The Applicant.
- E. Notice. All Notices required in accordance with this Operating Agreement shall be sent by certified mail, return receipt requested, to the following:

City of Shoreview: City Manager	Applicant:	Clear Channel Outdoor, Inc.
City of Shoreview		3225 Spring Street Northeast
4600 Victoria St. N		Minneapolis, MN 55413
Shoreview, MN 55126		

- I. Abandonment. A Dynamic Digital Display Billboard that has not been used for 90 days shall be deemed abandoned. The City may either require abandoned Dynamic Digital Display Billboard to be removed from the site pursuant to the same procedures used for the removal of dangerous or unsafe structures; or require the property owner to remove the billboard.
- J. Non-Waiver of Enforcement Rights. The City does not, nor shall this Operating Agreement be interpreted or construed to, waive any of its rights to enforce all building, zoning health and safety regulations of the City, including applicable provisions of the Sign Code.
- K. Binding on Successors. This Operating Agreement binds the successors in interest and assigns of the Applicant, and shall run with the land until such time as the Dynamic Display Billboard is removed.

IN WITNESS WHEREOF, the parties have hereunto set their hands.

CITY OF SHOREVIEW

By: _____
Sandra C. Martin
Its: MAYOR

By: _____
Terry Schwerm
Its: CITY MANAGER

STATE OF MINNESOTA)
)SS
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of
_____, 2011.

Notary Public

CLEAR CHANNEL OUTDOOR INC

By: _____

Its: _____

STATE OF MINNESOTA)
)SS
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of
_____, 2011.

**EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF SHOREVIEW, MINNESOTA**

HELD DECEMBER 5, 2011

* * * * *

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota, was duly called and held at the Shoreview City Hall in said City on December 5, 2011, at 7:00 p.m. The following members were present:

and the following members were absent:

Member _____ introduced the following resolution and moved its adoption.

RESOLUTION NO. 11-89

**RESOLUTION APPROVING PERMANENT A
ACCESS AND UTILITY EASEMENT AGREEMENT**

WHEREAS, the City desires to expand the area of an existing easement in order to improve access to adjacent City property; and

WHEREAS, it is necessary for the City to obtain a permanent access and utility easement to accommodate installation and future maintenance of a dynamic digital billboard on said City property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SHOREVIEW, MINNESOTA:

That the Easement Agreement for 445 County Road E, owned by Sheldon Forthun Trustee (PID 25-30-23-34-0005) in the amount of \$16,855.00 is hereby approved and authorize the Mayor and City Manager to sign said agreements.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted this 5th day of December, 2011.

STATE OF MINNESOTA)

)

COUNTY OF RAMSEY)

)

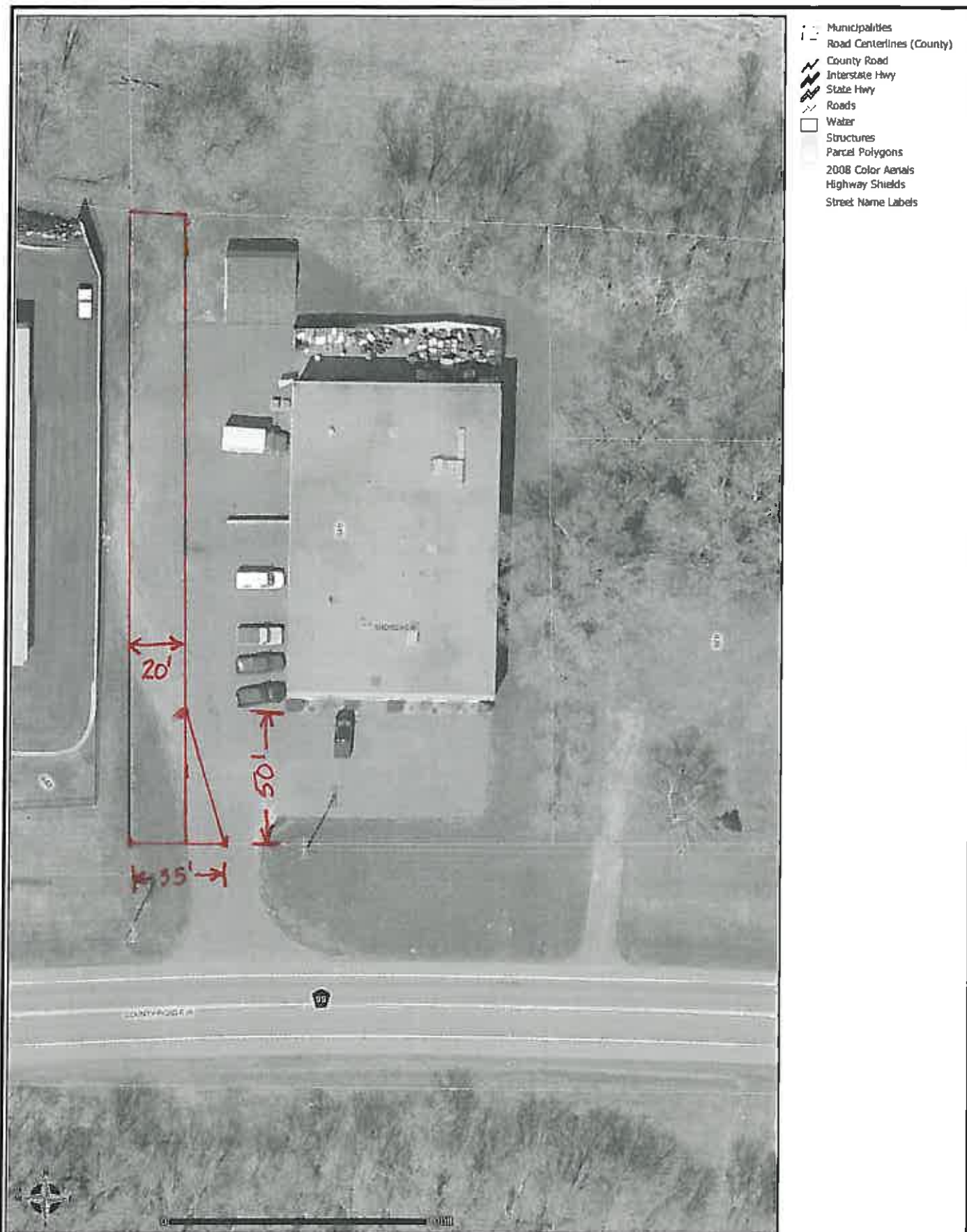
CITY OF SHOREVIEW)

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City Council held on the 6th day of December, 2011, with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to approving the Easement Agreement for 455 County Road E.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 6th day of December 2011.

Terry Schwerm
City Manager

SEAL



DISCLAIMER: This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only.

SOURCES: Ramsey County (October 31, 2011), The Lawrence Group (October 31, 2011) for County parcel and property records data; October 2011 for commercial

GRANT OF PERMANENT EASEMENT

Forthun, LLC, a Minnesota limited liability company ("Grantor"), is the record fee owner of the following described property situated in Ramsey County, Minnesota, ("Property") to wit:

That part of the East 160 feet of the West 704.5 feet of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 25, Township 30, Range 23, Ramsey County, Minnesota, lying Southerly of the Southerly right of way line of Interstate Highway No. 694 and lying North of the North right of way line of County Road "E" as acquired by the State in Book 1888, page 536, Ramsey County, Minnesota, except the following described tract of land: Beginning at the intersection of the Southwesterly right of way line of Interstate Highway No. 694 with the East line of West 544.5 feet of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Section 25; thence Southerly along said East line 375 feet; thence Easterly to a point on the East line of the West 964.5 feet of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of said Section 25, distant 100 feet southerly (as measured along said East line) from the Southwesterly right of way line of said Interstate Highway No. 694; thence Northerly along said East line to said Southwesterly right of way line; thence Northwesterly along the said right of way line to the point of beginning.

For valuable consideration, the receipt of which is hereby acknowledged, Grantor hereby conveys to the City of Shoreview, a Minnesota statutory city (the "City"), and its successors and assigns, permanent easements for the construction, maintenance, operation, inspection and repair of an access road, public utilities and stormwater drainage improvements; together with a permanent easement, for ingress and egress, at any and all times, with all machinery, equipment, vehicles, and materials necessary for the afore described purposes over, under and across the following portions of the property:

Parcel 1: The westerly 20.0 feet of the Subject Property; and

Parcel 2: A triangular parcel of the Property described as commencing at the southwest corner of the Property, thence easterly along the south Property line a distance of 20.0 feet to the point of beginning of the easement to be described; thence northerly on a line parallel to the west line of the Property, a distance of 50.0 feet; thence southeasterly to a point on the south line of the Property, which point is located 35.0 feet easterly of the southwest corner of the Property; thence continuing westerly on the south line of the Property a distance of 15.0 feet, more or less, to the point of beginning and there terminating.

The above described Easements are conveyed subject to the following conditions:

1. No parking or material storage will be allowed on the South 200 feet of the Easement areas.
2. City will restore the Easement area to its original condition, subject to normal wear and tear, if it terminates the Easement.
3. The Grantor reserves the right to relocate the Easement area, at Grantor's expense, if Grantor decides to redevelop its site.
4. The City shall have the right to allow others to use or otherwise utilize the Easement area for access.
5. This Easement is granted subject to other easements of record.

IN WITNESS WHEREOF, the Grantor has hereunto set its hands on this ____ day of _____, 2011.

FORTHUN, LLC, a Minnesota limited liability corporation

Dated: _____ By: _____

Its: _____

STATE OF MINNESOTA)
).ss
COUNTY OF _____)

On this ____ day of _____, 2011, before me, a notary public within and for said county, personally appeared _____, to me known to be the _____ of Forthun, LLC and executed the above Grant of Permanent Easement on behalf of Forthun, LLC and as its own free act and deed.

Notary Public

This Instrument Was Drafted By:
Peterson, Fram & Bergman, P.A. (JPF)
55 East Fifth Street, Suite 800
St. Paul, Minnesota 55101